



WITH \*THE INDEPENDENT TOMORROW

**She's every teacher's worst nightmare.  
And she's only four years old**

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# Sony cuts may hit 4,500 jobs in Wales

BY NIGEL COPE  
Associate City Editor

film and financial services. The restructuring comes as Sony battles its way through a recession that has forced electronics makers to cut prices to remain competitive. Rivals as NEC, Toshiba and Hitachi have all been forced to make cuts as the economic crisis in Asia takes its toll.

Competition has been most fierce in the market for more basic products, such as televisions, video recorders. The new plan will help Sony to increase its focus on its more profitable products, such as the next generation of PlayStation. The company has been engaged in a titanic "console battle" with its rivals Sega and Nintendo for first position in the video games market.

Sony declined to say where the 17,000 job cuts would be made. "The plan is to achieve the cuts through natural wastage," said a spokesman. The company could not rule out compulsory redundancies.

Sony employs 17,000 workers worldwide and plans to make the cuts by March 2003.

It has not said how much the closures and lay-offs will cost.

The shake-up is a big step for

Sony, founded by Akio Morita in post-war Tokyo. The company experienced a severe setback in the Seventies when it backed the technically superior Betamax video recorder system against the more widely available VHS rival. But the Sony Walkman was one of the most successful new technology launches of all time.

Mr Ramsay also insulted



Don Towers

Bramley apple growers protesting at Gordon Ramsay's restaurant yesterday say he 'undermined' their campaign

## Apple activists picket restaurant

BY KATHY MARKS

GORDON RAMSAY discovered

yesterday that Bramley apples

have a nasty habit of repeating

on you.

The outspoken celebrity chef

disparaged the British fruit on

television last week, and yes-

terday found his restaurant be-

ing besieged by furious, placard-

waving apple-growers.

Mr Ramsay already faces legal

action by the Bramley Apple

Campaign Group picketed his

two Michelin-star London

restaurant in Chelsea. Luncheon

lunchtime diners looked on

bemused as the demonstrators

wearing white chef's hats,

brandished placards reading

"Bramley's - the best cooker"

and "Bramley is best, give us

our money back". The apple-ac-

tivists handed a letter to the

maître d'hôtel.

Keith Simpson, spokesman for

the English Apples and

Pears Association, who was at

the picket, said: "We consider

he has broken the trust and the

agreement that existed be-

tween us. He has fundamentally

undermined this country's

Bramley growers' industry.

This protest is part of a pro-

gramme to encourage him to

make a public apology and re-

turn our money. If all else fails,

we will sue."

Diners entering the restaur-

ant, where lunch costs £28 a

head, were handed leaflets.

At one point, Mr Ramsay ap-

peared briefly by the kitchen en-

trance, but he barely raised his

eyebrows and retreated.

A spokesman for the restau-

rant said he was considering

paying the £3,500 fee to charity.

Jo Rimmer of the campaign

group, said growers wanted a

public apology and their

money back. He said lawyers

had told them they had a good

case for breach of contract

and defamation.

In the Channel 4 pro-

gramme, Mr Ramsay said he

was going to use Granny

Smiths instead of Bramley

and "foodies", would not know

the difference.



Gordon Ramsay: Raised eyebrows and retreated



### It happens to women in real life too

Peggy from EastEnders has been told her cancer has returned. Peggy is a fictional character, but breast cancer is a fact for thousands of women today. Every year another 34,240 women in the UK are diagnosed with the disease.

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## Nuclear weapons spying suspect named

By MARY DEJEVSKY  
in Washington

A SCIENTIST dismissed on Monday from his job at America's top nuclear weapons laboratory amid allegations of spying for China has been named as Wen Ho Lee, who worked in the weapons design department of the Los Alamos laboratory for over a decade.

His name has not been confirmed by US authorities but was divulged yesterday by US newspapers, which said he was interrogated by the FBI for three days after failing a lie-detector test last week.

According to *The New York Times*, the Taiwanese-born computer scientist, who is in his fifties, "stonewalled" and failed to co-operate with his questioners. The FBI said that they did not have enough evidence to arrest him.

However, the US Energy Secretary, Bill Richardson, in whose jurisdiction Los Alamos falls, said he believed there was enough evidence to dismiss Mr Lee, citing his "failure to properly notify Energy Department and laboratory officials about contacts with people from a sensitive country, specific instances of failing to properly safeguard classified material, and apparently attempting to deceive lab officials about security matters".

Wen Ho Lee had emerged as the chief suspect from a three-year FBI investigation, code-named *Kindred Spirit*, into the presumed theft of US nuclear secrets from Los Alamos. His identification yesterday came hard on the heels of an announcement that as many as 700 Energy Department staff and employees of the National Laboratory at Los Alamos would have to take regular lie-detector tests.

The measure was seen as a belated attempt by the administration to calm fears about the scale of Chinese spying in the United States.

Wen Ho Lee's wife, Sylvia, is also said to be under suspicion. She worked as a secretary at the Los Alamos laboratory until recently, and reportedly raised eyebrows in the Eighties when she was invited to China to deliver an academic paper on nuclear processing. She was also said to have taken an undue interest in visiting Chinese delegations.

A *New York Times* investigation, published on Saturday, said that China was suspected of having developed miniaturised nuclear warheads on the basis of blueprints stolen from Los Alamos in the mid-Eighties, thereby clawing back much of a 20-year technology gap with the United States.

While noting that the security lapse – if such it was – took place under Presidents Reagan and Bush, the paper accused the Clinton administration of hushing up the affair to pursue its objective of a "security partnership" with China.

Members of the US Congress were swift to call for full information about the affair and tighter security at Los Alamos and other sensitive installations. Republicans said national security might have been subordinated to the interests of foreign trade.

The allegations coincide with a deterioration in Sino-American relations. These further details of the scandal may not be unwelcome to Washington, and may even have been conceived as a warning shot across Peking's bows.

# Floods waist-deep and rising in Yorkshire's tourist villages

By KIM SENGUPTA  
AND DARIUS SANAI

IN THE darkness of the early hours of yesterday morning, Peter Long pulled on his wellingtons and started building a fence to stop his pets from escaping his front garden.

There would be nothing particularly unusual in that, except that the pets in question are koi carp, living in the garden pond of his house in Stamford Bridge, North Yorkshire. The fish were in danger of being washed away in floods that have swamped communities of the Derwent river valley.

Mr Long, who owns a petrol station and a hardware shop, managed to save his fish by hurriedly knocking together a makeshift fence.

But thousands of other residents in the area which encompasses some of the most beautiful and historic parts of the Pennines, are seeing their lives severely disrupted by the river which has swollen to a level unprecedented in living memory.

The deluge, caused by snow melting off the North York Moors and the Wolds and unremitting rains that caused the river to burst its banks, has cut off villages, waterlogged homes, swept cars off roads and left a swathe of the area without any power.

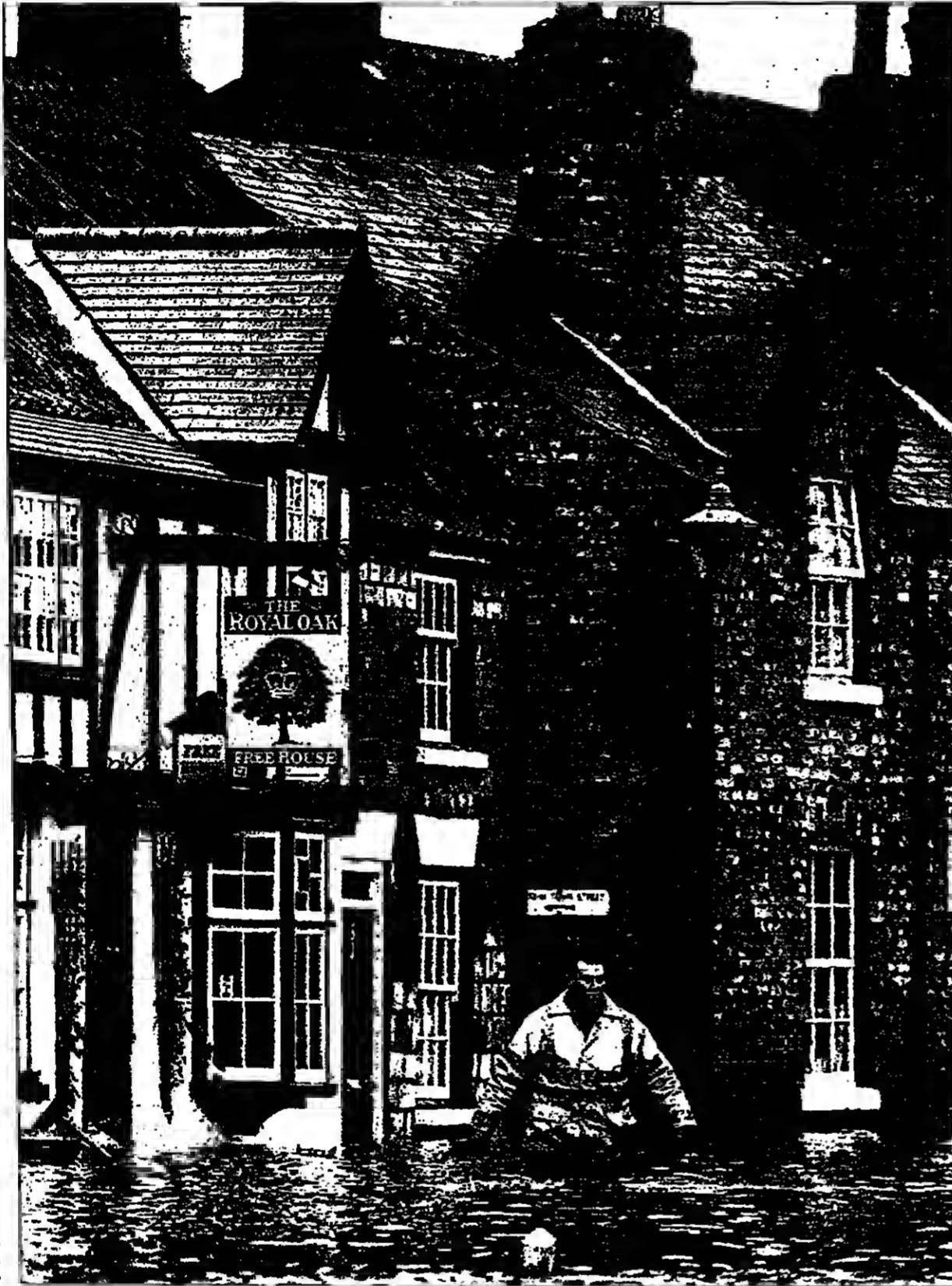
As environmental officials likened the flooding to "a rapidly filling bath with the taps on full blast", the villagers of Malton, Norton, Pickering, Stamford Bridge and Elvington were coping with the stress that comes from seeing your house and your belongings submerged, your business closed down – and tourists gathering on the edge of town to gawk at the scene.

The Derwent has risen remorselessly over the past few days to nearly 10 feet above normal, at its highest since the "Great Floods" of 1931 and 1961. The scene it created in the pretty villages of the moors, where the television show *Heartbeat* is filmed, was surreal. Locals getting about in boats and canoes were exchanging greetings with policemen and firemen in their own boats on the way to pick up the stranded.

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A caravan site in Stamford Bridge, where King Harold defeated Harold Hadrada of Norway in 1066 before rushing south for his fatal encounter with William the Conqueror, was flooded and abandoned.

One village, Haxby, was marooned, while at Thorganby, Bubwith, East Cowling and Barnby the Environment Agency was knocking on doors



to say that they were in the path of the storm water flowing downstream and there was strong risk that their homes would go under water later this week.

Those already affected were coping with what they say in these parts is typical Yorkshire stoicism and self-sufficiency. Although an emergency shelter had been set up at one of the villages, Norton, few stayed.

Sheona Patterson, of North Yorkshire County Council social services, said: "Three people slept here overnight, but we have had people also coming in for something to eat or for help in finding accommodation."

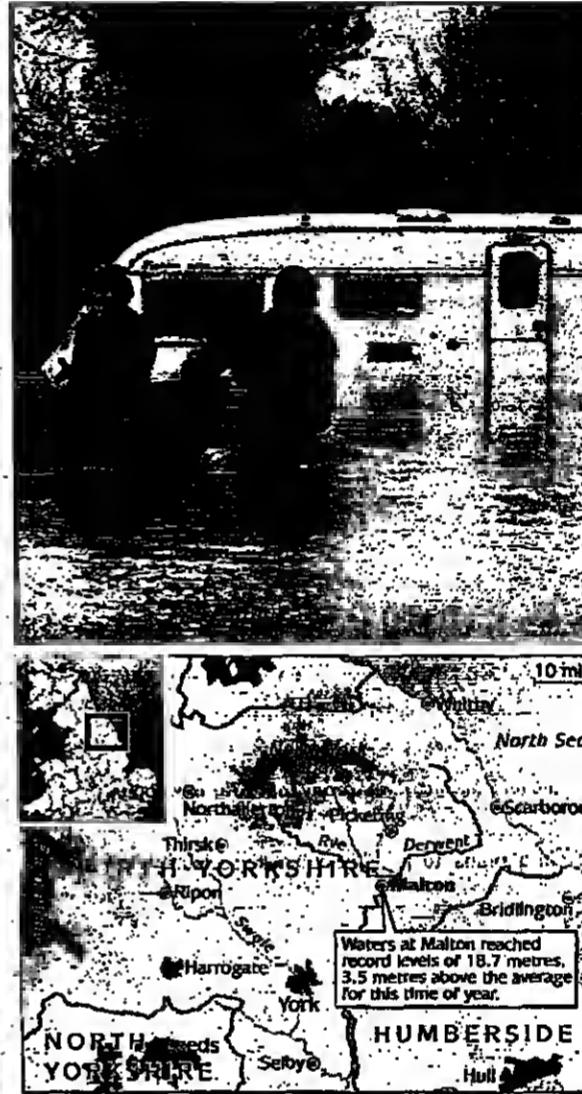
"It would appear that a lot of the people affected have friends and family who have been able to help. People really seem to have rallied around and helped each other."

At Old Malton, the Reverend John Manchester boarded a police boat to check on his elderly parishioners. He said: "Some left, some didn't, and we have made sure that all are all right. There isn't a bed-and-breakfast to be found in Malton. Everyone is using them."

Joe Braithwaite, who had been helping with rescue efforts at a nearby village, shrugged and said: "You have got to

laugh about it because there isn't anything much else one can do. You can't fight nature, sometimes you just have to clear up after it."

There was, however, some exasperation at the authorities, in particular the Environment Agency. Peter Hynd said: "They (the Environment Agency) came along with a truck full of sandbags, but meanwhile the whole of the



Flooding in North Yorkshire yesterday after the River Derwent broke its banks. Clockwise from top left: the railway station at Malton, two scenes at Stamford Bridge, and the Royal Oak at Old Malton.

Dan Chung/Reuters, Steve Forrest/Guzelion, North News & Pictures

square of Stamford Bridge was flooded. We weren't warned until far too late. It is a damned joke. We are waist-deep. There are tables and chairs floating around. It is dreadful – it's devastating. We won't be open for another week at least."

The Environment Agency maintained that it had sent out warnings, starting with an amber alert on Saturday. A spokesman said: "All we can do is send the warnings out. It is up to the people to pick them up. The emergency planning team also stated there had been no problem at all with the warning system."

North Yorkshire's emergency planning officer, Robin Mystrall, said that long hard work lay ahead to repair the damage. "There are a lot of people who have had their lives severely disrupted and are all facing their individual emergencies at the moment. That is something which is going to take a long time to put right. We will be

doing our best to ensure that period is as short as possible." Ryedale's Conservative MP, John Greenway, said the Government might need to step in to help. Mr Greenway, whose constituency office is one of the buildings hit by flooding, said: "It's the worst disaster in most Malton and Norton townspeople's memory. I feel so sorry for the families and businesses affected. It's awful."

Humbershire Police, responsible for the Stamford Bridge district, hit out at "rubber neck".

His petrol station acts as a village shop, and all his Mother's Day cards, stacked up for this Sunday, are floating towards the North Sea on the bloated meltwaters of the Derwent. With

typical Yorkshire ploughing, Mr Long said yesterday: "It's in the lap of the gods."

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# Science mania: read all about it

WHO WANTS to read about imaginary heroes when you can thrill to the story of the tulip, re-read a page-turner about a chronometer or devour history of an eastern spice?

Publishers and booksellers agree that narrative non-fiction is becoming increasingly popular, marking out the trend started by Dava Sobel's *Longitude* as one of the key changes in publishing of the Nineties.

Relating what would once have been a dry scientific, botanical or zoological history through a racy narrative with plot development, climax and adventure is undoubtedly the central part of the genre's success. But what also counts is the way they sell them.

The packaging – slim, narrow hardbacks manageably small both in size and volume of words – has been part of the appeal. *Longitude*, the story of John Harrison's invention and development of an instrument to help sailors to navigate, was compact, easy to handle and started the trend for slightly cheaper hardbacks at £13.

Last week, *The Tulip*, by Anna Pavord, looks at an aspect of that trend, being very large and costing £20, but is a lavishly illustrated, richly detailed narrative of the history of the flower, as informative about "tulipmania", when a tulip bulb could be exchanged for a house alongside the canal, as it is about the Huguenots.

The books have historical themes, but impart information about the era or succession of eras by tracing the progress of an arcane object or phenomenon rather than a political development. Having said that, a number of narrative non-fiction tend to have in common an almost stirringly romantic tale of determined ambition, be it to invent, trade or make a scientific breakthrough. Harrison's battle with the scientific establishment of the day in

BY DAVID LISTER  
Arts News Editor

*Longitude* is as crucial to keeping the reader's interest as descriptions of his timepieces. The scholarly has become romantic.

Dava Sobel's *Longitude* has sold 630,000 copies in the United Kingdom alone. Other praised examples of the genre include *Fermat's Last Theorem* by Simon Singh, the story of the struggle to solve a 17th-century mathematical puzzle; Janet Gleeson's *The Arcanum*, about the invention of porcelain; Michael Allin's *Zarafa*, the story of a giraffe's journey from the African plains to early 19th-century Paris; *Cod* by Mark Kurlansky, a history of fish; and the soon-to-be-published *Nutmeg* by Giles Milton, the story of a forgotten British hero, Nathaniel Courthope, fought the Dutch in the 17th century for control of a tiny spice island in the East Indies to trade in nutmeg when it was the most valuable commodity in the world.

And now Pavord's bestseller *The Tulip* will be followed later this year by another exploration of the flower by the writer Mike Dash and a novel featuring tulips by Deborah Moggach.

Nigel Newton, managing director of Bloomsbury, said: "The British have always been obsessed with biographies. Perhaps our interest in people, the great figures who shaped history, is now transferring into an interest in things."

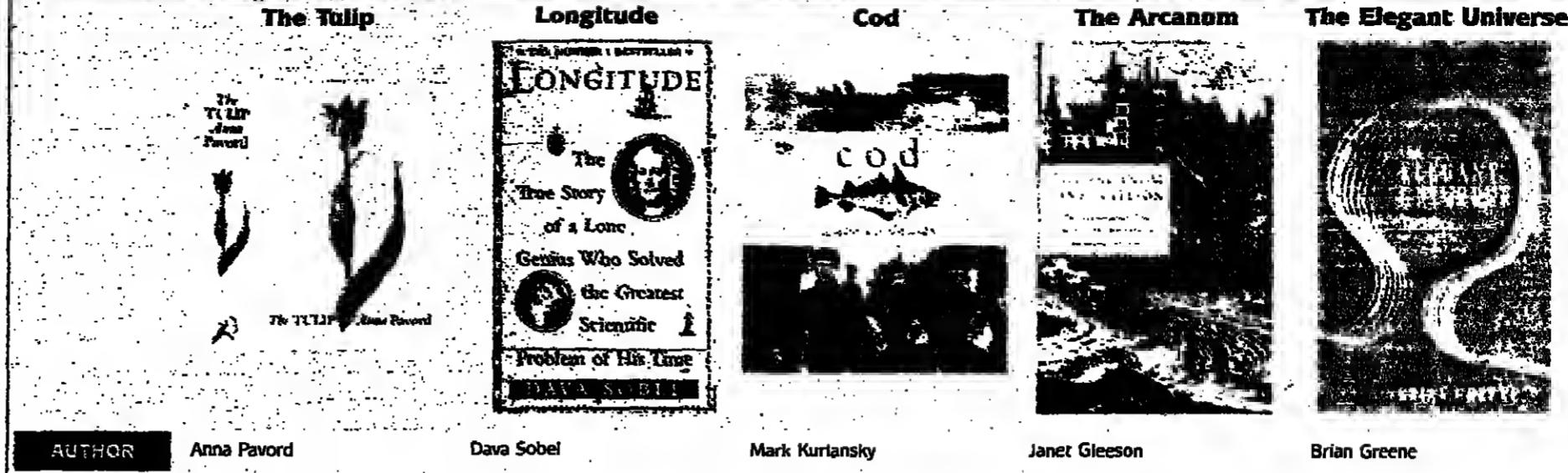
Another narrative non-fiction bestseller has been *The Perfect Storm* by Sebastian Junger, trac-

ing the plight of fishing boats in a savage gale of the New England coast and informing about fishing, boat construction and weather patterns in a gripping narrative. Last year also saw

*Man Flies* by Nancy Winters, a look at the pioneering of balloon flight by the Brazilian Alberto Santos-Dumont in the early years of the century.

Again it was a tale of personal

## THE ARCANAE WORLD OF BRITAIN'S MOST UNLIKELY BESTSELLERS



AUTHOR

PUBLISHER

PLOT

THE CRITICS SAID...

Anna Pavord

Bloomsbury (£30)

Deals with the phenomenon of Tulipmania in Dutch history, but Tulipmania is now also affecting the book's publishers. Next month Bloomsbury will put on sale a set of postcards drawn from illustrations in the book.

"Written by a scholar, reads like a thriller. It is a passionate masterpiece."

Dava Sobel

Fourth Estate (£12)

The first of the genre, and the first to show its scope. Now also a coffee table book. It is John Harrison's chronometer – its subject – that makes Delboy and Rodney's fortune in the final episodes of *Only Fools And Horses*.

"True-life thriller packed with political intrigue, international warfare, personal feuds and political skulduggery."

Mark Kurlansky

Jonathan Cape (£12.99)

The thousand-year story of the pursuit of the species – from the Vikings to Captain Blidseye – and how it expanded cultures half way across the globe, causing conflicts over fishing grounds that continue to this day.

"Reveals the importance of this wonderful fish in world history. An epiphany and a warning."

Janet Gleeson

Bantam (£12.99)

Centres on the first European porcelain factory at Meissen and Johann Friedrich Böttger, a chemist obsessed with the Arcanum: how to turn base metal into gold. This leads to the discovery of the Arcanum for white gold: porcelain.

"Mastery of a technically tricky subject, but fails to take us with it into the furnaces at Meissen."

Brian Greene

Jonathan Cape (£18.99)

The string theory or super string theory as it is sometimes called is said to be the most difficult in physics. The author first became obsessed with it when he was at Oxford University.

"Not since Stephen Hawking has a scientific book caused such a stir."

DEBORAH ORR

There's an ideological clash between good gay sex and bad gay sex

IN THE WEDNESDAY REVIEW PAGE 6

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20%  
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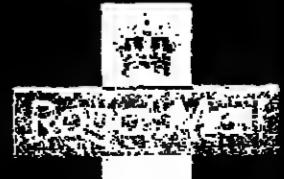
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remains the president of the European Commission, achieving the meeting to qualify Italy so that the budget is being tackled. Santer's include: Wim Kok and Antonio Guterres, General of the European Commission.

# Adams and Trimble raise hopes

A MEETING between the Ulster Unionist leader, David Trimble, and the Sinn Féin president, Gerry Adams, in Belfast yesterday produced no breakthrough in the peace deal but made what was described as a "limited amount of progress".

That phrase created a stirring of interest, given that progress has been in such short supply lately on the questions of IRA arms decommissioning and the formation of a new Northern

By DAVID MCKITTRICK  
Ireland Correspondent

Ireland executive. The fact that the two sides had agreed to meet again was also seen as important.

Mr Trimble and Mr Adams were accompanied by their deputies, John Taylor and Martin McGuinness.

Earlier yesterday Mr Adams also met Mo Mowlam, the Secretary of State for Northern

Ireland. Ms Mowlam gave the parties an ultimatum to resolve the decommissioning issue by the week of Good Friday (29 March to 2 April) when she will begin the transfer of powers to the Stormont Assembly.

Emerging from the meeting, Mr Adams said it was a "mistake" for the British Government not to transfer powers to the Stormont assembly now, as earlier envisaged.

It was announced yesterday

that the Northern Ireland political development minister, Paul Murphy, has invited two representatives from each party to round-table talks tomorrow on how to advance the peace process. This is seen as part of a government attempt to bring fresh momentum to the process leading to intensive negotiations in the last week of March.

Speaking after yesterday's meeting Mr Trimble described the encounter as significant,

though he added that the extension of the political deadline from the original target date of 10 March had meant it was "a bit of an anti-climax". He went on: "I have, throughout this process, been confident about the underlying trend of events. I'm also confident about what will ultimately happen, namely that this process will succeed. We've made it clear throughout this that the requirement for decommissioning applies to Loyalist and republican paramilitaries."

The Unionist leader added: "Paramilitaries know in their hearts, even if they are not prepared to say so publicly, that they must decommission. It's not a question of whether, it's a question of when."

Mr Adams urged all sides to use the next few weeks to make progress. He said: "There is a huge responsibility on the British Government

to implement this Agreement. There is a huge onus on the Irish government and there is also a huge onus on all the other political leaderships in this situation."

"The delay has not been helpful and unless people assert themselves to fulfil the agreement then the people who voted on this island for changes on this island are going to be the people who are sorely disappointed and the

only people who will be satisfied with that are those who want the peace process to fail."

Mr Adams confirmed that he had been informed of a death threat to him in recent days and said he was taking the warning seriously. But he added that he would not deflect him, or the Sinn Féin leadership, from pursuing their current policy.

Common aims, Common

Review, page 3

## Hague looks for team of fresh faces

MICHAEL PORTILLO yesterday blamed Michael Howard's decision to retire from the Tory front bench on the foreign affairs spokesman's "image problem".

Mr Howard, 57, has had trouble living down Ann Widdecombe's claim that there was "something of the night" about him.

Mr Portillo, a former Tory cabinet minister who lost his seat at the last general election, said on BBC radio yesterday: "He has obviously had, let's be frank, an image problem. He may well feel he can do more good for the Tory party from the back benches and doing work on policies ... than he is now able to do on the front benches."

Mr Howard said that 14 years on the front benches was "probably long enough for anyone". But Margaret Beckett, Leader of the House, said: "Michael Howard's personal unpopularity is a convenient excuse for Tories unwilling to face up to the reality of their party's failings."

His departure will be used by William Hague, the Tory leader, to cut out some of the dead wood from the Shadow Cabinet in his next reshuffle to answer criticism in the party's private polling that the Conservatives are still seen as remote, out of touch, and out of date.

Ms Widdecombe, who effec-

By COLIN BROWN  
Chief Political Correspondent

tively killed Mr Howard's leadership prospects, is likely to gain promotion from the health portfolio to become home affairs spokeswoman, replacing Sir Norman Fowler, who could also leave the front bench this summer.

Mr Howard's decision to resign from the Shadow Cabinet, while staying on as MP for Folkestone and Hythe, was also seen at Westminster as an admission that he does not believe the Tories can win the next general election under Mr Hague.

Mr Hague's failure to make an impact on Tony Blair's lead in the opinion polls has reinforced the conviction among leading Tories that fresh faces are urgently needed to give the party a new start.

Those being tipped for promotion include Theresa May, an education spokeswoman who has been compared to a young Margaret Thatcher; Richard Ottaway, who changed Tory policy to support the post for an elected mayor for London; Andrew Lansley, the former head of research, who is leading a review of policy for the general election; Cheryl Gillan, a spokeswoman on foreign affairs, praised for being a safe pair of hands; Phil Hammond, a talented spokesman on health in Ms Widdecombe's team; and Damian



Michael Howard: His departure will be used by William Hague to cut dead wood from his team Brian Harris

Green, a rising star in the education and employment team will be a big loss to Mr Hague's team. The foreign affairs spokesman's shoes will be difficult to fill, given the sensitivity of handling the issue of Europe. John Maples, the for-

mer health minister, is being tipped as a possible contender.

Another former cabinet colleague, Sir Brian Mawhinney, said: "He's made Robin Cook look like one of the more pathetic

Foreign Secretaries that this country has had in many years."

Mr Hague is planning to use

Tories' 18-year record in office and move the Conservatives on to "bread and butter" issues.

"We are not talking about

apologising for our 18 years in office. It's not about apologising

We had some successes and we made some mistakes. But it's about moving on to a new agenda," he has said.

Leading article, Review, page 3

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## New countryside chief speaks up for ramblers

THE MAN who is to head the Government's new Countryside Agency is denying a suggestion that he is against giving more rights to ramblers.

Ewan Cameron spoke out yesterday as the controversial decision to appoint him chairman of the agency was criticised by walkers, who say he is more interested in protecting farmers' interests.

But Mr Cameron, former president of the Country Landowners Association (CLA), said he had ramblers' interests at heart. He also denied there was any conflict of interest in holding the post, saying: "When I was with the CLA, I was always trying to promote access ... not only trying to ram

bers under right-to-roam laws.

Walkers fear this process may take years, and that landowners could retain the option of blocking access by fighting for their rights in local access forums. Final decisions will be taken by the agency.

Mr Cameron added: "I am in a different constituency now. Then I was representing a different organisation (the CLA) and while I was trying to promote increased access, that organisation decided access should be made by voluntary means. I am now in charge of an organisation that represents the countryside in government."

He said the announcement by Michael Meacher, the Environment minister, of new legal rights for walkers was a "sensible way forward and having the presumption in favour of access, must be the better route".

He went on: "It's clearer for everyone concerned. It's clearer for the walker and it's clearer for the landowner, providing the rules allow for the proper economic and environmental management of the land, then this must be the best way forward."

"I think my experience in terms of integrating access into other land uses is going to be very very useful."

"Rights of way are probably going to be much more important to more people than the rights to roam over open countryside."

## QUESTIONS AND ANSWERS

### Bombs on Iraq

A TOTAL of 28,560kg of bombs were dropped by British forces on Iraqi military targets during Operation Desert Fox in December last year, the Secretary of State for Defence, George Robertson, said.

### Drugs in jails

THE AMOUNT of cannabis discovered in Northern Ireland's prisons has dropped from 314 grams in 1996-97 to 79 grams last year, a Northern Ireland minister, Adam Ingram, said.

### Ethnic help

A TOTAL of 249 of the 5,771 firefighters in the London Fire Brigade are black or from another ethnic minority group, a Home Office minister, George Howarth, said.

## British drive to stop children joining armies

### DEVELOPMENT BY JOHN DEANE

in armed conflicts over the next three years.

There was sound logic behind channelling aid-budget funding into reforming security services, including the military, paramilitary and intelligence services. One of the principal obstacles to poverty reduction, Ms Short said, was the existence of "bloated, secretive, repressive, undemocratic and poorly structured security sectors in many developing countries".

She added that the "objective is to help to promote stability and peace through making the security sector more transparent, accountable and subject to proper civilian control".

There was no question of development resources being used to strengthen military forces' aggressive capability, or of being linked to arms sales.

## THE HOUSE



### Fares pegged

GLENDA JACKSON, the London minister for Transport, gave reassurances to MPs that Tube fares will not raise above 1 per cent until 2003.

### Kabbah talks

MPS WELCOMED reports from Robin Cook, the Foreign Secretary, that Sierra Leone's President Ahmad Tejan Kabbah had started dialogue with rebel fighters in the country.

### Today's agenda

Commons: 9.30am for backbench debates; 2.30pm International Development questions; Prime Minister's Questions; Budget debate, second day. Debate on testicular cancer.

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A full regime of Arabic teaching is planned for King Fahad Academy, west London, after GCSE scores doubled

Neville Elder

## Schools in 'worst borough' improve

SCHOOL STANDARDS have risen sharply in the "failing" local authority branded the worst in Britain, according to unpublished test scores obtained by *The Independent*.

National curriculum tests for pupils aged 7, 11 and 14 show schools in Hackney, east London, improved by up to three times the national rate.

Local government leaders insisted yesterday it would be a "disaster" if the Government drafted in contractors to take over the education authority's functions. The largest teaching union said the troubled council had "turned the corner".

*The Independent* revealed last week that ministers were preparing to take direct control of the education authority, which could be the first to have its functions handed to private-sector consultants.

Test results are still well below national averages, but scores for pupils aged 7 and 14 are up. The number of seven-year-olds gaining expected standards in reading is up from 64 per cent to 70.

In maths, the score rose from 69 per cent to 75 and the science score increased from 70 per cent to 76.

In English for 14-year-olds, the proportion gaining expected standards rose from just 36 per cent in 1996 to 45 per cent last year. Maths and science pass rates were also up.

The borough has "lived its number of failing schools, bringing four primaries - St Monica's, St Paul's, and St Michael's, Morningside and St Matthias - out of "special measures".

The Local Government Association has demanded to meet David Blunkett, the Secretary of State for Education and Employment, to prevent a takeover of Hackney council's education department.

Graham Lane, Labour edu-

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## Islamic curriculum for top secondary

BY BEN RUSSELL

ENGLAND'S FASTEST improving secondary school is to abandon its British curriculum and replace it with a full regime of Arabic teaching.

The King Fahad Academy topped last autumn's league tables after nearly doubling its GCSE scores in four years.

Ninety per cent of children at the school in Ealing, west London, gained five or more good GCSEs last year, up from 46 per cent in 1995, putting the academy among the best in London.

But the independent school, which was built on the orders of King Fahad of Saudi Arabia, has decided to phase out traditional English primary classes, GCSEs and A-levels, in favour of an Islamic curriculum as practised by Saudi schools.

The school was set up to serve the Saudi expatriate community, but now draws children of Muslim families from many of the local ethnic minorities.

Trustees of the 1,000-pupil school will phase out the pre-

sent curriculum for new entrants to the school from September of this year.

Pupils at the separate boys' and girls' schools already spend about a quarter of their time on Islamic studies and learning Arabic. But at present they also study for national curriculum tests, GCSEs and A-levels.

The new Saudi lessons will all be in Arabic, but will include English taught as a foreign language.

Some parents have expressed opposition to the plan, though, arguing that no other schools offer the combination of English exams and Islamic and Arabic culture.

One said: "There is nothing in this area which is anything like the academy. The Muslim community is huge. What are parents going to do if their children have siblings who they were planning on sending to the school?"

The academy, which has sites in Ealing and Acton, is funded by grants from the Saudi government, which also provides bursaries for some of the pupils.

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# Cook tells Kabbah to deal with rebels

PRESSED BY his two biggest foreign supporters yesterday, President Tejan Kabbah, Sierra Leone's elected leader, promised to seek serious negotiations with his enemies in order to end the savage two-year civil war which has reduced the country to ruins.

At a joint meeting here, Robin Cook, the Foreign Secretary, and Nigeria's caretaker ruler, General Abdulsalami Abubakar, are understood to have delivered similar messages to President Kabbah: that the war was unwinnable and that a diplomatic solution, however difficult, was the only option.

Although he ruled out an

BY RUPERT CORNWELL  
in Lagos

early withdrawal of Nigerian troops from Sierra Leone, General Abubakar said Nigeria wanted to reduce its forces, while increasing the effort for peace.

Mr Cook asked General Abubakar to keep his troops in Sierra Leone and offered aid. Nigerian officials said: "The British made a plea that we should not pull out our troops from Sierra Leone and offered financial assistance," General Abubakar's spokesman said.

Yesterday's encounter came in the aftermath of the New Year offensive by the rebels, led

by the Revolutionary United Front (RUF) which came within an ace of taking the capital, Freetown. After days of bloody fighting the rebels were pushed back by Ecomog, the mainly Nigerian regional military force, which is all that stands between President Kabbah and certain overthrow.

That crisis, just 10 months after the Sierra Leone President was restored to power by Ecomog, convinced Britain that the rebels cannot be defeated on the battlefield.

Based in the east of the country, the rebels draw support from Liberia and Burkina Faso and control Sierra Leone's diamond trade

Moreover, Nigeria is economically stricken. On the brink of a return to civilian rule under the President-elect, Olusegun Obasanjo, the country is losing patience with an unpopular war that has taken some 900 Nigerian lives and is costing an estimated \$1m a day.

During the election campaign, Mr Obasanjo indicated he wanted Nigeria out of Sierra Leone by the time he takes office in May.

Although he has since dropped talk of a specific deadline, diplomats believe that the main reason keeping him there is the need to secure an honourable managed exit, which

would preserve the credibility of the region's biggest power.

At least for Mr Cook, his visit here makes a change from the political furor in Britain over the Sandline affair and alleged clandestine Foreign Office support for arms deliveries to the Kabbah government.

"I only wish 50 per cent of the interest poured into Sandline had been devoted to the real situation in Sierra Leone," Mr Cook said.

Britain has spent \$30m over the past year on Sierra Leone, including \$10m announced only last week to help to finance Ecomog, train a new Sierra Leone army and encourage the start of peace talks.

"Negotiations have to be part of the solution, but there's no guarantee that they will succeed," Mr Cook said.

The Foreign Secretary is the first leading Western official to meet General Abubakar since the presidential election of February 27, which sealed Nigeria's return to democratic rule.

Mr Cook described the visit as a chance for "a fresh start" in dealings with Nigeria, which is to rejoin the Commonwealth in three months.

Nigerian officials hope that Britain will persuade other Western countries to provide badly needed debt relief and financial help at a time when oil prices have sunk to new lows.

Mr Cook said he expected Nigeria to be restored to full membership of the Commonwealth, from which Africa's most populous country was suspended in 1995 for human rights abuses under the late dictator Sani Abacha.

Mr Cook will conclude the four-day trip to West Africa by embarking on a joint mission to Ghana and Ivory Coast with his French counterpart, Hubert Vedrine.

The pair will meet the leaders of Ghana and the Ivory Coast. They will also chair a conference of British and French ambassadors and High Commissioners from around the continent.



Kabbah: beleaguered

## Holbrooke delivers ultimatum to Serbia

AMERICAS BALKAN trouble-shooter, Richard Holbrooke, arrived in Belgrade yesterday on a mission to press Slobodan Milosevic into accepting a Kosovo peace deal.

Mr Holbrooke will tell the Yugoslav President bluntly that now Kosovo's Albanians have agreed in principle to a deal, Nato aircraft will start bombing Yugoslav military targets if he blocks the agreement.

The US emissary, architect of the 1995 peace deal that ended the savage ethnic war in Bosnia, arrived at noon. He was not expected to meet Mr Milosevic until today.

His task will be to cajole or bully the Serb leader into accepting the presence of a foreign military force in Kosovo to implement the three-year interim agreement.

Another US Balkan envoy, Christopher Hill, who met commanders of the rebel Kosovo Liberation Army on Monday, also travelled to Belgrade yesterday to increase the pressure on Mr Milosevic.

Western diplomats say the guerrilla leaders are ready to authorise a signing of the deal but remain opposed to the inclusion of Russian troops in any peace-keeping force.

The presence of fellow Orthodox Slavs is seen as a concession to Mr Milosevic, who might then be able to sell to his public the idea of a foreign army on Yugoslav soil.

Despite the now familiar

BY EMMA DALY  
in Belgrade

display of brinkmanship, observers in Belgrade expect Mr Milosevic to agree to the deal, which is supposed to be signed by 15 March when both sides are to gather in Paris for another round of talks.

"Now that the KLA has accepted the Kosovo peace plan, Milosevic will probably have to accept some kind of compromise," the authoritative VIP newsletter said yesterday.

"Milosevic most probably believes Holbrooke is his best chance for a good bargain."

Until now, the Yugoslav position has been that Belgrade might accept a political deal granting Kosovo autonomy for three years. But the stationing of foreign troops on Serbian territory would not be countenanced, certainly not a Nato-led force.

Mr Milosevic already knows his only chance to lift international sanctions will come if he strikes a deal on a Kosovo peace force.

Yugoslav officials are still talking tough. "We won't give an inch of our Serbian and Yugoslav territory," said a senior Socialist Party official yesterday. But this sort of hardline approach is intended only for domestic consumption.

In fact, the state-controlled media seems to be softening up the population for the eventual loss of Kosovo, and is not



A casualty of the conflict in Kosovo crossing the damaged 14th-century 'Turkish Bridge' in the town of Vucitrn

Petar Kujundzic/Reuters

whipping up a frenzy of anti-foreign feeling. That is what happened the last time the Western alliance threatened the Serbs with heavy Nato air strikes.

One Serb journalist based in Belgrade said: "At the end, it will be a relief not to have Kosovo."

In London, Nato's Secretary-General, Javier Solana, said Nato remained ready to launch air strikes if Mr Milosevic did not accept an autonomy plan for Kosovo. But he

stressed that no Nato nation supported sending ground troops to fight their way into the province.

In Kosovo yesterday two Serb policemen were killed and three wounded when their vehicle hit a mine.

Yugoslav border authorities confiscated 90,000 German marks (\$35,000) from Bosnian Muslim pilgrims at the Yugoslav frontier with Bulgaria as they passed through on their way to Mecca.

Opposition Christian Democrats, who banned the exhibition from Bonn's History Museum last year.

A spokeswoman for the organisers, the Hamburg Institute for Social Research, said she was shocked and surprised. The attack, she said, showed "how urgently needed such an exhibition is".

A neo-Nazi spattered some of the exhibits with paint two years ago and the organisers had received frequent bomb threats in the past. The display has so far toured 30 towns and cities in Germany and Austria, and has been seen by 700,000 visitors. Before yesterday's attack, there were plans to take it around Europe.

Many Germans cling to this version, including the main

participants, letters sent home from the front, and soldiers' own photographs.

Some of the pictures are especially harrowing. They show Wehrmacht soldiers standing by improvised gallows, or meting out punishment to the civilian populations of occupied eastern Europe.

The exhibition was put together to puncture the convenient official myth that attributes the Holocaust to "Nazis", rather than to Germans. War crimes, according to this view of history, were perpetrated almost exclusively by the Waffen SS and other elite Nazi troops.

The exhibition, sponsored by the tobacco magnate Jan Philipp Reemstma, purports to show that some members of the regular army were willing participants in war crimes, including the extermination of Jews. Visitors are confronted with diaries of Second World

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## The Texan pirates who are ruling the waves

AMERICAN TIMES  
SAN MARCOS

THE ANTENNA at Micro Kind Radio appears to be supported by the house, but it may be the other way round. The "studio" is a tiny 10ft by 12ft room covered in graffiti. Inside, George is struggling with the antique machinery, trying to get it to play a tape of one of his friends. "I'm just totally screwed, man," he says, shaking his ponytail.

Outside, Metal Mark and Ratman, two of the DJs, are watching with wry amusement. In the garden is a stripped-down motorbike and what must be the biggest collection of drink cans in the United States. Broadcasting House, this is not.

What it is is the house of Joe Ptak, a local community activist, and the man who helped to bring radio to the small Texas college town of San Marcos.

But Mr Ptak is under threat from the law. This is pirate radio. Micro Kind radio is booming in the US, as hundreds of people spend the \$50 (£320) or so that it takes to buy the basic equipment and put up an aerial to broadcast at under 100 watts. Most are motivated by a desire to reach the local community and crack the stultifying patterns laid down by the commercial industry.

There is no law of physics that says that there is room for six computer programmed "adult contemporary" music stations in the same city—but none to broadcast the local high school football game," says Radio4all, one of the groups promoting the idea.

The founding father is Stephen Dunifer of California, who launched Radio Free Berkeley in 1983. The past six years have largely been spent fighting for the right to broadcast against the Federal Communications Commission, the mainstream stations and National Public Radio, the subsidised public broadcaster.

Two weeks ago, Dave Huff was in the studio at Canyon Lake Radio just down the road when he noticed shadowy figures in his house. It

ANDREW MARSHALL

## Kosovo Emergency

### Seeds and tools are urgently needed

At least 20,000 families, including children and the elderly, have been forced to hide in the mountains during the harsh winter in Central Kosovo. Leaving their fields behind, most of them were unable to harvest or to plant new crops. Their homes have been burnt or looted and any food stocks are diminishing day by day.

For people of Central Kosovo, the current planting season is crucial in their struggle to provide food for their families.

As part of its programme in Kosovo, Action Against Hunger is organising a first emergency distribution of 300 tons of seeds and tools to the most vulnerable, whose houses have been severely destroyed.

A complete kit containing maize, potatoes and vegetables seeds as well as tools, fertilisers and plastic sheeting costs only £29. Thousands more are needed.

The people of Kosovo can help themselves if you help them now.

You can make a direct card donation over the phone or send the coupon.

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Or please debit my VISA/Mastercard/Delta/CAF

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Signature  Name

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# BUSINESS

## BRIEFING

### Midshires £1,250 windfall

BIRMINGHAM MIDSHIRES will today begin sending out letters to a million customers letting them know the value of their share of £750m being paid for the building society by the Halifax. The majority of members will receive Halifax preference shares expected to be worth about £400 each when dealings begin on 19 April.

More than 400,000 savers will get an additional amount in cash averaging £1,250. Midshires said it intended to send cheques or credit savings accounts by 26 April and post share certificates by 29 April.

### John Thornton steps down

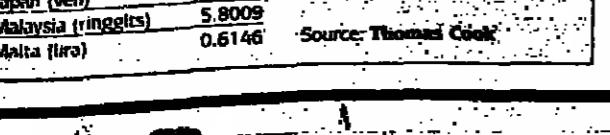
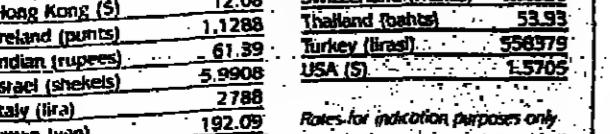
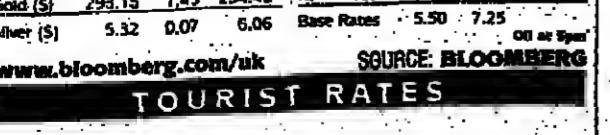
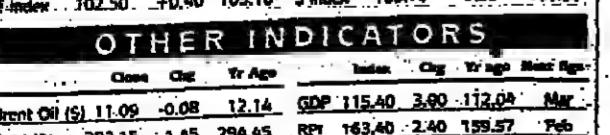
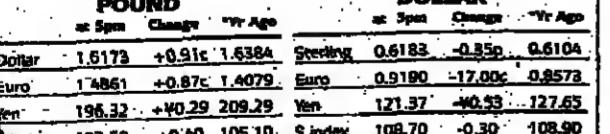
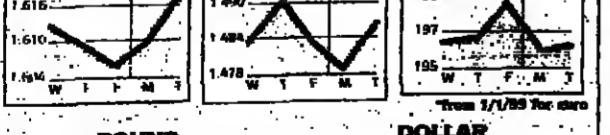
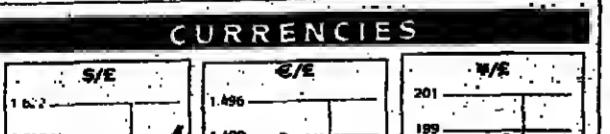
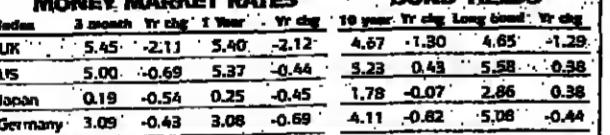
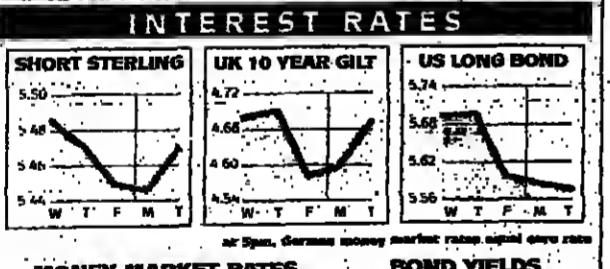
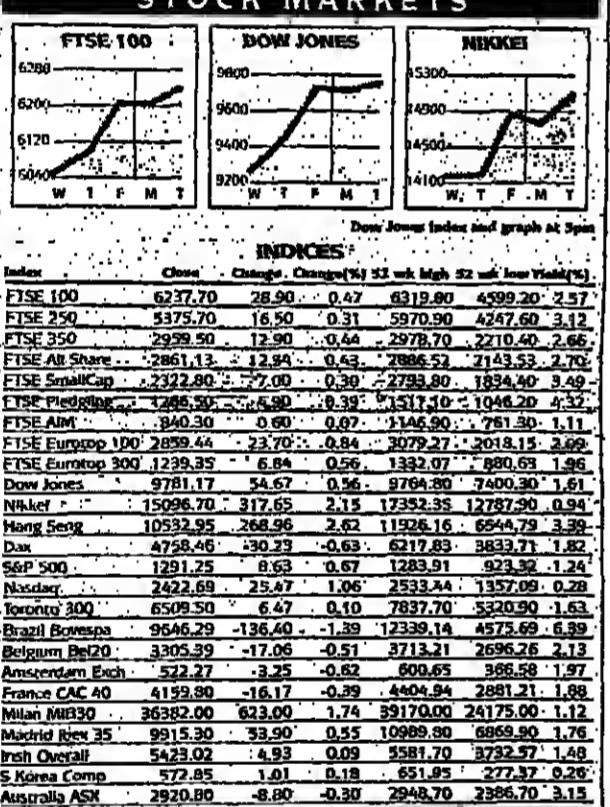
THE CLOTHING retailer Laura Ashley said its non-executive chairman, John Thornton (left), is to step down with immediate effect following his appointment as co-chief operating officer of the investment bank Goldman Sachs. Mr Thornton will remain as a non-executive director until the end of its financial year in January 2000. Laura

Ashley named Dr Kay Peng Khoo, chairman and chief executive of Malayan United Industries, which owns 40 per cent of Laura Ashley, as the new non-executive chairman with immediate effect. The departure of Mr Thornton comes two months after the chief executive, Victoria Egan, stepped down.

### Telecom Italia weighs buyback

SHARES in Telecom Italia jumped more than 4 per cent yesterday on hopes that the former state-run telecoms group was preparing to hand back cash to shareholders in an attempt to fight off a hostile \$3 billion euros (£22bn) takeover by Olivetti, the electronics group. According to bankers, Telecom Italia is considering raising a 200m euro loan to fund a special dividend or share buyback. It may also use the funds to buy out remaining shareholders in Telecom Italia Mobile, its mobile phones subsidiary. Telecom Italia requires the support of 30 per cent of its shareholders to make any changes to its share capital.

### STOCK MARKETS



## First Choice and Kuoni in £2bn merger talks

BY NIGEL COPE  
Associate City Editor

FIRST CHOICE Holidays yesterday caught the City of guard with an announcement that it is in "advanced merger talks" with Kuoni, the Swiss tour operator. The statement, issued just after the stock market closed and while the Chancellor was still delivering the Budget, will create a new £2bn player in Europe's travel industry. A statement finalising the deal is expected within the next few days.

First Choice announced last

week that it was in preliminary merger talks. Attention then focused on Airtours and Preussag of Germany, and it is possible that these companies could yet enter the fray with a hostile bid.

The new group would be called Kuoni Holdings with Ian Chubb, the chief executive of First Choice, becoming executive chairman. Kuoni's Recre-

do Gullotti would be chief executive. The company's board would include 14 directors drawn from both businesses, and it would be listed on the London and Swiss stock exchanges.

Under the terms of the deal First Choice's main brands will be retained. These include Sovereign and Twentysix, as well as Unjet and Hays & Jarvis, both acquired last year.

First Choice, which is Britain's third-biggest holiday company behind Thomson and

Airtours, would move into second position in the UK market, with a market share of around 18 per cent. Mr Chubb said: "We are delighted with the deal. We don't expect any competition problems."

Kuoni is Switzerland's biggest tour operator and has built a reputation for providing up-market, longer-haul holidays with margins double those on mass-market packages.

Under the terms of the merger being discussed, Kuoni

shareholders would own 53 per cent of the enlarged company, and First Choice shareholders 47 per cent, the companies said.

"Kuoni and First Choice would be a unique combination that would benefit shareholders, customers and employees of the two groups," said the companies in a statement. The companies declined to comment on the implication for jobs.

The discussions come as European tour operators pair up to increase their buying power for

hotel accommodation and double up on transportation to and from resorts.

First Choice owns package tour companies and the Air2000 and Leisure International charter airlines. It is more than half way through a three-year reorganisation to push pre-tax profit to 4 per cent of sales by October 1999.

First Choice had pre-tax profit of £20m (£30.5m) in fiscal 1998. For the year ended 1997, Kuoni had pre-tax profits of £56.6m.

## US offer for Albright may be trumped

BY FRANCESCO GUERRERA

THE BATTLE for Albright & Wilson, the chemicals group, warmed up yesterday when the French company Rhône-Poulenc said it might trump a £108m cash offer from its US rival Albemarle.

Rhône, majority-owned by drug company Rhône-Poulenc, revealed that it had held preliminary talks with A&W and was "reviewing its options".

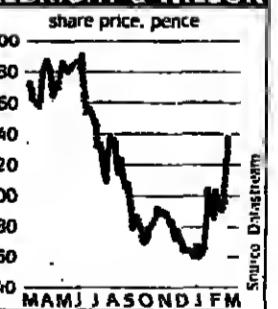
Sources close to the company said the Rhône management was in talks with its bankers on whether to outbid Albemarle's offer for A&W. The UK's largest producer of chemicals for detergents and carbonated drinks, "The Albemarle offer is not the end game - there are other people interested in this company," a source said.

The statement by Rhône, a leading producer of fine chemicals with sales of over 5.5bn euros (£3.3bn), was triggered by Monday's bid by Albemarle. The US speciality chemicals company's 130p-a-share bid was recommended by A&W's board but not accepted by Phillips & Drew, the largest shareholder.

P&D, which has a 24 per cent stake, held out for a higher bid, followed by another fund manager, M&G, which owns 5 per cent of A&W. However Mercury Asset Management, A&W's second-largest shareholder, accepted the offer and sold most of its 12 per cent stake to Albemarle.

City analysts predicted that other firms could enter the bid battle after today's A&W results.

### ALBRIGHT & WILSON



They said the figures should confirm the UK group's continuing problems with the downturn in chemical markets and the strength of the pound, and flush out other bidders.

The US group FMC and a private UK company backed by the venture capitalist CVC are believed to have approached A&W in the past few months.

Industry experts said the Albemarle offer undervalued the UK company and predicted the final bid price could rise to up to 150p. "I think in a week you are likely to see a bid north of 140p per share," an analyst said.

Shares in A&W, which slumped as sales were hit by tough chemical markets, rose yesterday by 10.5p to 140p.

## Allied Zurich hit by asbestos costs

BY ANDREW GARFIELD

Financial Editor

"In the end, the BMW investment is a lot of money and they must decide which country offers the best value for shareholders."

Apart from the subsidies available, BMW will also take into account productivity targets, flexibility and desired quality levels, he added.

Mr Byers insisted yesterday that there was "no question of the Government just bailing out any failing or failing industry". But he added: "What we

## London Stock Exchange to open one hour earlier

BY LEA PATERSON

THE LONDON Stock Exchange plans to open an hour earlier as part of a move to harmonise trading hours across European exchanges.

Under proposals put forward by the London Exchange yesterday, the stock market would open for trade at 8am, rather than the current 9am, and would continue to close at 4.30pm.

A spokesman for the London Stock Exchange, which last year announced plans to link up with its counterpart in Frankfurt, said the decision was part of the wider London-Frankfurt push for a pan-European exchange.

In a statement with Deutsche Börse, its Frankfurt partner, the London Stock Exchange said: "Today's proposals are one further link in the

chain leading to our goal of barrier-free trading in Europe."

Deutsche Börse said it intended to synchronise its trading day with the proposed London hours by opening 30 minutes later than at present and closing 30 minutes later.

The proposed London changes, which are expected to come into force later this year, are the second set of alterations at market opening and close as well as during the trading day, extending the electronic order book to mid-cap stocks, and shortening the settlement cycle.

Last summer the opening time was moved from 8.30am to 9am in an attempt to curb volatility in share prices early in the morning caused by low trading volumes.

A spokesman for the London Stock Exchange said that although volatility would be monitored under the new trading hours,

to swing in favour of Longbridge, rather than Hungary.

A Rover spokesman said: "We are aware of the conditions they want us to meet for the investment, which includes the higher productivity, and we have been making great steps towards that."

"Obviously the fact that we have put in for a grant from the Government shows that we now have a project and we want to go ahead with it at Longbridge."

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## AROUND THE WORLD'S MARKETS

### UK

LONDON

FOOTsie made modest headway during Chancellor Gordon Brown's Budget speech. It stood 12.9 points higher when he started and was up 24.9 at 6,237.7 at the close, shortly before he finished. Supporting indices were firm.

WPIC the advertising group, rose on speculative demand and positive stockbroker comment. Dixons went to a 1,268p peak on the British Retail Consortium's upbeat comments on electrical sales and the Budget "computers for all" initiative. Derek

### NEW YORK

DESPITE WEAKNESS among hi-tech shares, the Dow Jones index recovered from early weakness, gaining 68.54 points to 9,796.15. The supporting Standard & Poor's 500 index was 10.69 higher at 1,233.42.

The early weakness reflected the warning from Advance Micro Devices that its first quarter figures would be heavily in the red following production problems. Other chip makers were hit with Intel and Compaq Computer under pressure.

### ● TOKYO

SONY led Japanese stocks higher after it announced details of a major restructuring initiative. The electronics giant closed up by almost 9 per cent, helping to take the Nikkei 225 stock index up by 317.65 points to 15,096.70.

This was the first time the Nikkei had closed above 15,000 since 27 November last year. "It's a combination of themes - restructuring, a lower yen and lower interest rates - that have made the market start to look very interesting," said one analyst.

### ● HONG KONG

STOCKS closed sharply higher with sentiment boosted by plans by Microsoft to co-operate with Hong Kong Telecom.

The Hang Seng share index finished up 268.96 points, or 2.62 per cent, at 10,532.95, just off its day's highs.

Hong Kong Telecom was among the most actively traded stocks. The telecoms group announced that it planned to develop on-line shopping and video-on-demand services with the computer giant Microsoft.

### ● PARIS

FRENCH SHARES faded after a bright opening. The CAC-40 index fell 26.65 points to 4,149.32. The market seems to run into determined resistance every time the index approaches 4,200. Frederic Sauvageau from the Oddo brokerage house said: "We have hit that range around four times since the beginning of the year but we cannot seem to go past it."

The early advance was inspired by strong corporate earnings and the upbeat overnight Tokyo performance.

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## 16/SHARES

52 week				52 week				52 week							
High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price				
ALCOHOLIC BEVERAGES	-1.21-1.4%														
604 855 Allied Breweries	497.5	45	82	181.1000	51	50	Gebräu	130.0	90	55	1021	125.5	100	-11.0	100.95
393 150 Amstrum (UK)	266.0	62	65	157.1250	105	91	Gebräu	120.0	51	77	1925	41	145	7556	
71 160 Amstrum (UK)	171.0	92	93	157.1250	105	91	Gebräu	114.0	90	43	93.7714	170	5	-5.55	
707 170 Amstrum (UK)	221.0	92	93	157.1250	105	91	Gebräu	106.0	82	91	97.4750	170	5	-15.3804	
500 820 Castrol	720.0	45	52	182.1000	105	91	Castrol	105.0	10	82	91	97.4750	170	5	-15.3804
325 355 Cigarettes	372.0	16	47	161.2750	505	17	Cigarettes	400.0	80	42	142.0000	505	215	100.15	144.1505
214 115 Club Quell	100.0	16	16	123.1000	30	43	Club Quell	98.0	25	73	97.1787	30	43	-10.0	150.1455
<b>ANKERS</b>	<b>0-1.6%</b>														
1772 872 Alcatel	1540.0	111.8	23	712.2251	914	1	Alcatel	1540.0	111.8	23	712.2251	914	1	-1.6%	1540.0
135 702 Alcatel	1045.9	136	63	207.3450	23	195	Alcatel	1045.9	136	63	207.3450	23	195	-1.6%	1045.9
856 723 Alcatel	782.5	94.8	35	143.2220	23	195	Alcatel	782.5	94.8	35	143.2220	23	195	-1.6%	782.5
7592 855 Alcatel	1045.9	136	63	207.3450	23	195	Alcatel	1045.9	136	63	207.3450	23	195	-1.6%	1045.9
143 823 Alcatel	1045.9	136	63	207.3450	23	195	Alcatel	1045.9	136	63	207.3450	23	195	-1.6%	1045.9
324 448 Alcatel	912.0	48	54	244.2550	23	195	Alcatel	912.0	48	54	244.2550	23	195	-1.6%	912.0
875 871 Alcatel	782.5	23	161	363.2250	23	195	Alcatel	782.5	23	161	363.2250	23	195	-1.6%	782.5
2073 975 BSEG (Pty)	1950.0	235	195	184.2650	23	195	BSEG (Pty)	1950.0	235	195	184.2650	23	195	-1.6%	1950.0
1530 880 BSEG (Pty)	1800.0	235	195	184.2650	23	195	BSEG (Pty)	1800.0	235	195	184.2650	23	195	-1.6%	1800.0
651 455 Capetel	705.0	23	161	279.2750	505	17	Capetel	705.0	23	161	279.2750	505	17	-1.6%	705.0
325 355 Cigarettes	372.0	16	47	161.2750	505	17	Cigarettes	400.0	80	42	142.0000	505	215	100.15	144.1505
214 115 Club Quell	100.0	16	16	123.1000	30	43	Club Quell	98.0	25	73	97.1787	30	43	-1.6%	98.0
<b>BREWERS PUBLIC</b>	<b>0-1.6%</b>														
1176 800 Brewers Public	900.0	42	42	248.1000	23	195	Brewers Public	900.0	42	42	248.1000	23	195	-1.6%	900.0
261 800 Brewers Public	800.0	42	42	248.1000	23	195	Brewers Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
161 800 Brewers Public	800.0	42	42	248.1000	23	195	Brewers Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
161 800 Brewers Public	800.0	42	42	248.1000	23	195	Brewers Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
161 800 Brewers Public	800.0	42	42	248.1000	23	195	Brewers Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
<b>BREWERYS PUBLIC</b>	<b>0-1.6%</b>														
1176 800 Breweries Public	900.0	42	42	248.1000	23	195	Breweries Public	900.0	42	42	248.1000	23	195	-1.6%	900.0
261 800 Breweries Public	800.0	42	42	248.1000	23	195	Breweries Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
161 800 Breweries Public	800.0	42	42	248.1000	23	195	Breweries Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
161 800 Breweries Public	800.0	42	42	248.1000	23	195	Breweries Public	800.0	42	42	248.1000	23	195	-1.6%	800.0
<b>BUSINESS</b>	<b>0-1.6%</b>														
1772 872 Bury St Edmunds	1540.0	111.8	23	712.2251	914	1	Bury St Edmunds	1540.0	111.8	23	712.2251	914	1	-1.6%	1540.0
135 702 Bury St Edmunds	1045.9	136	63	207.3450	23	195	Bury St Edmunds	1045.9	136	63	207.3450	23	195	-1.6%	1045.9
856 723 Bury St Edmunds	782.5	94.8	35	143.2220	23	195	Bury St Edmunds	782.5	94.8	35	143.2220	23	195	-1.6%	782.5
2073 975 Bury St Edmunds	1950.0	235	195	184.2650	23	195	Bury St Edmunds	1950.0	235	195	184.2650	23	195	-1.6%	1950.0
1530 880 Bury St Edmunds	1800.0	235	195	184.2650	23	195	Bury St Edmunds	1800.0	235	195	184.2650	23	195	-1.6%	1800.0
651 455 Cigarettes	705.0	23	161	279.2750	505	17	Cigarettes	705.0	23	161	279.2750	505	17	-1.6%	705.0
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214 115 Club Quell	100.0	16	16	123.1000	30	43	Club Quell	98.0	25	73	97.1787	30	43	-1.6%	98.0
<b>CANALS</b>	<b>0-1.6%</b>														
1772 872 Canals	1540.0	111.8	23	712.2251	914	1	Canals	1540.0	111.8	23	712.2251	914	1	-1.6%	1540.0
135 702 Canals	1045.9	136	63	207.3450	23	195	Canals	1045.9	136	63	207.3450	23	195	-1.6%	1045.9
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1530 880 Canals	1800.0	235	195	184.2650	23	195	Canals	1800.0	235	195</					



## SPORT

'You talk about Arsenal's defence now, but their scoring record isn't that great. We had it at both ends'

# Hansen paints unblemished picture



## THE BRIAN VINER INTERVIEW

WHEN THE wind howls in off the Irish Sea, the par-four 13th hole at Hillside - the Southport course widely considered as challenging as its more illustrious neighbour Royal Birkdale - is the very definition of an uphill struggle. Somehow, I leave the green with a five to Alan Hansen's double-bogey six. "Class always tells on the hardest holes," I remark flippantly as we make our way to the next tee. "That must have been the exception," Hansen motters, half in banter but half in earnest. He is a fierce competitor on the golf course. And he duly stuffs me by a margin I do not care to mention. His handicap is three, and with the help of his long-handed Odyssey putter - "I was the worst putter in the western world until I got this," he says - he is confident that he can get down to one. I wouldn't offer odds against it.

Hansen started playing golf at the age of seven as Alloa lads do. By 16, he had a handicap of two and thoughts of turning pro. In 1972, he was a reserve for Scottish Boys in a fixture against English Boys. One of the players on the English team - later, incidentally, to switch allegiance to the Scots - was the 14-year-old prodigy Sandy Lyle. So Hansen was on teeing-up terms with the best young golfers in the land. He was also in the Scottish volleyball squad. And he was a talented squash player, once hammering the Scottish junior champion by three games to one.

When sporting skills were handed out, Hansen jumped the queue. In fact, the rest of us must have been queuing in the wrong place. If there were any justice at all, he would at least have buck teeth or a cauliflower ear. But the cruellest nickname anyone has managed to think up for Hansen is Captain Scarlet, and that's because the scourge of the Mysterious was plastic and, therefore, unblemished. Actually, Hansen does have a blemish, a long vertical scar on his forehead. Wearily, I wait for him to tell me that it marks a wound sustained in some heroic sporting encounter, but the banal truth is that during a volleyball tournament when he was 17, he walked through a glass door. He sued the education authority and, as had generally been his wont, won.

At 17, having reluctantly accepted that he was not quite good enough to cut it in professional golf, Hansen planned to read history at Aberdeen University. But then someone suggested that he become a PE teacher. However, the PE college, Jordans, had a policy of accepting only one applicant per school, and someone else from



Sitting comfortably: 'Once I'd turned 30, if I played 18 holes on Wednesday, I always knew it training on Thursday,' says Alan Hansen

Hansen's school got the nod. "That was when I decided to concentrate on football," he says.

Oh yes, football. Hansen had already been wooed by 10 clubs, but told them he wanted to concentrate on golf. In the end, the Jordans reject joined Partick Thistle, where his elder brother John was on the books, and spent four years gradually making his name as a classy centre-back. He didn't score goals, though, and one memorable Saturday played in a monthly medal in the morning and against Kilmarnock in the afternoon. At Liverpool it was a different story. Bill Shankly had always believed that golf was bad for his players' knees, and his successor Bob Paisley reckoned it fired them out. "He was right, too," says Hansen. "Once I turned 30, if I played 18 holes on a Wednesday, I always knew it in training on a Thursday."

In May 1977, Paisley paid £100,000 - how quaint that figure sounds now - to take Hansen to Liverpool. He stayed at Anfield for the next 14

'I hear things about different philosophies and it's mostly a lot of tosh. People saying "the way the game should be played". That's the worst saying in football. You win the game, then worry about the way it should be played'

years, scandalously winning only 26 caps for Scotland, yet collecting 17 major medals for Liverpool (17 majors, he happily points out, equals the tally of his hero Jack Nicklaus) and becoming a linchpin in what amounted to four different Liverpool sides. The best of them, Hansen

Liverpool sides that won doubles and trebles. In 1989, six weeks before we won the double, I said to Kenny Dalglish that it was the worst Liverpool team I'd ever played in. So maybe I'm not a very good judge."

He is certainly given to rash predictions, famously inspiring a

it. Ray Kennedy was sensational for a big guy. But Fowler is the best."

Fowler, though, has the benefit of playing in front of a noisy supportive Anfield crowd. Not so Hansen for much of his career: "Under Bob Paisley, if a player showed signs of complacency, he was out. It was all over for him. But the crowd, the crowd was blase. The Liverpool crowd at that time was the quietest of the lot. They were spoilt. They only went off their heads if there was a chance we were going to get beaten. We'd come off after a 2-0 win and it wasn't enough. Now it's different. They are hungry again, and if Liverpool won the championship now they would go berserk. I went to the 4-2 Newcastle game this season and the atmosphere was sensational. We never had that."

The ingrates on the Kop owed much to the formidable defensive partnership of Hansen and Phil Thompson, now the Liverpool assistant manager. "It was like teletubby. Neither of us could head it, neither of us could tackle, my missives to the Masters for the first time, and entered the traditional post-tournament ballot which entitles a lucky few from the media to take on the mighty Augusta National. Sadly, he wasn't chosen. With his beloved new Odyssey putter working well, it might have been an interesting contest."

sus was quicker than he was, but we did alright. Paisley's philosophy was simple. Strengths and weaknesses. We played to our strengths and exploited their weaknesses. Now I hear things about different philosophies and it's mostly a lot of tosh. I hear people saying 'the way the game should be played'. Rubbish. That's the worst saying in football. You win the game, then worry about the way it should be played."

By now we are approaching Hillside's 17th green, which tops an enormous sand hill. Hansen has in a towering approach shot to within eight feet. Heaven knows where my ball has got to. The wind-chill factor, meanwhile, would have Sir Ranulph Fiennes scampering for the clubhouse. But my playing partner has reached boiling point.

"It's absolute folly," he continues. "To say here are the tactics, now let's look at the players. You look at your players, then decide your tactics. Take the sweeper system. In the Eighties everyone was saying that you can't win the World Cup without a sweeper. Then Brazil in 1994, and France in 1998, win it with a flatback four, so where does that leave us?"

"In 1982 we tried it for four games at Liverpool, with me as sweeper. I could give you a day-long seminar on the sweeper system, but on the pitch we couldn't do it. We didn't know when to come or when to stay. We had problems with marking. In the end, Joe Fagan decided we didn't have time to mess about with it. Quit while you're losing, that's another important lesson."

Hansen has always been opinionated about football. And when a knee injury forced him to stop playing, he was the obvious candidate to coach Liverpool reserves. Then his close friend Kenny Dalglish - his regular golf partner at Hillside - quit as manager. "He'd tried to call me twice the day before, but I was out," recalls Hansen, "so I didn't find out until training the next morning. Was I surprised? Christ, yes."

A lot of smart money went on Hansen to succeed Dalglish, but he claims that management never attracted him. "Dalglish and Souness live and breathe football in a way that I never have," he says. "There again, in my last season as captain, I wasn't getting any sleep at night, worrying about three points here and three points there. And at 215 on a Saturday I used to go back and forth to the toilet 45 times. So I knew management wasn't for me."

Instead, he joined Sky as a pundit, moving to Radio 5 Live, and then to Match of the Day, where he has become part of the furniture this fellow piece of furniture, Des Lynam, he ventures, is to television what Liverpool circa 1978 were to football.

Moreover, he is blossoming as a presenter. Next Tuesday he fronts a BBC1 programme called The Football Millionaires, and soon afterwards is back presenting The Magic of the Masters, for which he interviewed Jack Nicklaus and Seve Ballesteros, as well as his boyhood hero Sandy Lyle. Last year, he went to the Masters for the first time, and

the ingrates on the Kop owed much to the formidable defensive partnership of Hansen and Phil Thompson, now the Liverpool assistant manager. "It was like teletubby. Neither of us could head it, neither of us could tackle, my missives to the Masters for the first time, and entered the traditional post-tournament ballot which entitles a lucky few from the media to take on the mighty Augusta National. Sadly, he wasn't chosen. With his beloved new Odyssey putter working well, it might have been an interesting contest."

## Addison depends on principles

The manager of the Football League's bottom club has a keen sense of irony. Simon Turnbull met a man who loves a challenge

United, held Newcastle and West Ham to draws as well as shooting down the not-quite-so-mighty Magpies in the FA Cup in 1972.

Indeed, the 2-2 third-round replay win at Edgar Street - Ronnie Radford's wonder goal, the invasion of the Particks and all - would not have been possible had Addison himself not equalised in the original tie on Tyneside.

"One of the best goals I scored in my career," he maintained. "Never gets a mention. People also forget that after we beat Newcastle in the replay we drew 0-0 with West Ham four days later before we went 3-1 at Upton Park to a Geoff Hurst hat-trick."

"Yeah, it was a magnificent cup run. I mean, that Newcastle team wasn't a bad one, you know."

It was good enough to beat a Manchester United side featuring Best, Law and Charlton at Old Trafford the following Saturday. And Addison's Hereford heroes were good enough to gain election to the Football League at the end of that season, his first as a manager, and to win promotion the following year.

The team of part-time Southern Leaguers he guided from both sides of the Edgar Street fence, as player as well as manager of Hereford

possibly young looking, youthfully exuberant Addison still has his eyes cast upwards in the football management game. Since responding to an urgent SOS call two weeks ago [Save Our Scarborough], he has been looking up at all 71 teams above his from the bottom rung of the Football League ladder.

His career has come full circle: from trying to get into the League with Hereford to trying to stay in it with Scarborough. "There is an irony in it," he said. "But I've never ducked a challenge and when the call came, asking if I was interested in I decided to go for it."

"A lot of friends said, 'What the hell are you going to Scarborough for? To get an early holiday in?' To do a bit of paddling?"

"But I've come here for the challenge. I've got clubs out of similar situations before: Newport in the late Seventies and Cadiz seven or eight years ago."

"It's not as if it's new for me. But this one is a big challenge. It could be the biggest of the lot."

The chips are certainly down at the McCain Stadium. Scarborough

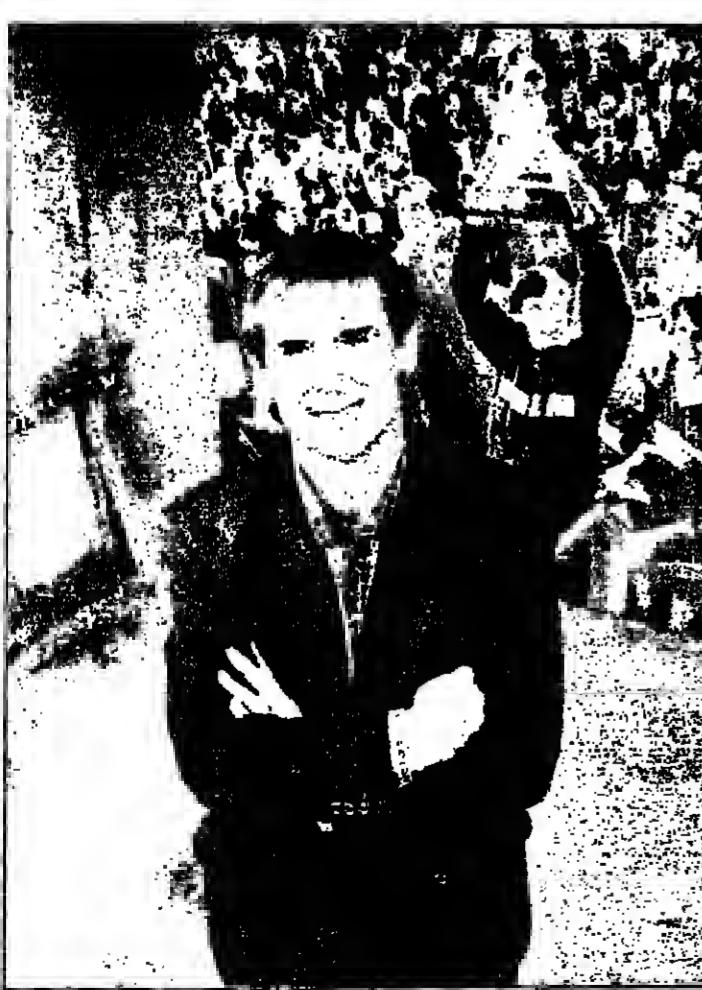
are six points adrift at the foot of the Third Division, though with two games in hand of the clubs directly above them, Hull and Hartlepool.

For Addison, it is a coming home as well as a challenge. He was brought up in nearby York and launched his playing career as an attacking inside-forward with York City.

He went on to make his mark in the old First Division with Arsenal, Nottingham Forest and Sheffield United and he has returned to North Yorkshire with a managerial CV which includes five months in the scorchingly hot seat at the Vicente Calderon. Like Arrigo Sacchi, and some 20 other coaches in the past 13 years, Addison endured an uncomfortably brief working relationship with Jesus Gil, the president-cum-autocrat of Atletico Madrid.

"Obviously at a big club like Atletico you've got money to spend. There's not much to spend here, if any. But the principles are the same."

"The systems, the tactics, the attitude, the application... They're all the same, whether you're at Atletico Madrid or at Scarborough." Or whether you're a young, progressive manager at Hereford United, for that matter.



Colin Addison stands in front of a mural depicting Scarborough's promotion to the Football League in 1987. Simon Wilkinson

Easy  
fails to

Sheep dressed  
up as lamb

Simon Wilkinson

# Bartle, the nice guy who can win

Eventing, dressage and training are all the same to Harrogate's all-round success story. By Genevieve Murphy

**C**HRIS BARTLE is never likely to forget the tumultuous, warm applause that accompanied his lap of honour at Word Perfect II at last year's Badminton Horse Trials. "It was a question of pinching myself to make sure I wasn't dreaming," he said. "Even now I have to remind myself that it really happened."

Fortunately there have been continuing reminders, the latest of which came yesterday when he was named as the National Personality of the Year in the Spillers Equestrian Guards.

Even before his Badminton victory (achieved at the mature age of 46), Bartle was much sought after as instructor at the Yorkshire Riding Centre, near Harrogate, as dressage coach for the British three-day event team and as a visiting trainer in Australia, the United States and Hong Kong.

There is, however, nothing of the hustling, self-important, globe-trotting man-in-demand about him. Unlike his elder sister, Jane Bartle-Wilson (who has the look of one-who-must-

*'Horses are there to make you look an idiot. I should have ridden him as though I didn't quite trust him'*

Chris is

managing director of the centre, where he lives with his Canadian wife, Sue (who first arrived there as a student in the 1970s), and their two children.

Riding was confined to the holidays while he was a schoolboy at Ampleforth (the present Cardinal Basil Hume was then Abbot) leaving him to use his own two feet when he represented the college in cross-country running.

Later he graduated in economics at Bristol University. "I thought it would help me to

find employment, but I've since spent my life trying to avoid getting a proper job," he said.

According to Giles Rowell, the chairman of the British selectors, Bartle is in tune with sports psychology and believes in being committed to goals. He has spectacularly overshot a couple of his own goals as a competitor. In 1984 he had aimed to qualify Wily Trout for the individual dressage final at the Los Angeles Olympics. That mission accomplished (he was 11th of the 12 who qualified

he went on to produce an astonishingly virtuoso performance for a virtual new boy to dressage, finishing sixth – which is the best ever British placing in this discipline.

After his return to eventing, he strove for years to finish among the 20 prize-winners at Badminton. Last year he would happily have settled for a place in the top 10, so there was no pressure on him when he completed the clear show jumping round that was to give him victory over Mark Todd. His previous best place was 25th.

Bartle had bought Word Perfect with the idea of selling him on. Despite initial problems with ditches, however, the horse proved too good to part with. "I was desperate to get someone to buy him who would let me keep the ride," he said.

To this end, he took a video of Blenheim (where Word Perfect finished third in 1996) on one of his jaunts to Hong Kong. There the horse was sold to Adrian and Elaine Cantwell, with Bartle keeping the ride until after next year's Olympic Games in Sydney.

The Cantwells have since shared a couple of major disappointments as well as a great victory. In 1997, during the European Championships at Burghley horse and rider partnership company at the sixth cross-country fence. When close to the obstacle, Word Perfect had spotted a ditch beneath it; he swerved to the left in mid-air while the unfortunate Bartle went to the right.

"Horses are there to make you look like an idiot," a rueful Bartle said. "It was the sort of thing I would have half-ex

pected him to do as a novice and I should have ridden him as though I didn't quite trust him. Then it wouldn't have happened."

Every day with horses is, he says, a potential disaster. That point was also illustrated when Word Perfect was injured last August, putting paid to Bartle's indisputable claims for a place on the British team for the World Equestrian Games.

And did our hero look pretty sour after that? Not at all; he turned up to continue his coaching duties for the team.

with a stoical smile and another of his pocketful of philosophical sayings: "You can guarantee that anybody who has spent a long time with horses will have suffered a similar disappointment." Perhaps we could all learn something from that.

**SPILLERS EQUESTRIAN AWARDS** decided on votes cast by readers of *Horse & Rider* and *Pony* magazines; **Word Perfect II** (left) and **Word Perfect** (right); **International Personality**: M Roberts (US) for his contribution to horse welfare; **Personality of the Year: One Man Spillers** (right): **Chris Bartle**; **Personality of the Year: Spillers Equestrian Guards** (left); **Young Surgeon**: Scholastique G Clinton (show jumping); **E Chandler** (horse trials) and **C Edmonds** (cross country).

**Horsing around: 'I've spent my life trying to avoid getting a proper job,' says Chris Bartle, the Spillers National Personality of the Year**

**Robert Hallam**

**Chris Bartle**

## Easy for Hingis but Seles fails to produce her touch

**M**ARTINA HINGIS, the world's No 1, continued her carefree skip through the \$1.3 million Evert Cup in Indian Wells on Monday by dismissing Patty Schnyder 6-1, 6-3, but former top-ranked Monica Seles sank to

defeat.

Hingis advanced to a quarter-finals date with American Chanda Rubin, a 6-4, 6-4 upset winner over seventh seed Amanda Coetzer of South Africa. Seles was swept out of the tournament by Slovakian Henrieta Nagyova 6-2, 6-4 in the third round.

Hingis had few problems in beating fellow-Swiss Schnyder in just 54 minutes. Moving swiftly and counterpunching brilliantly against the left-hander, the 18-year-old Hingis forced Schnyder to go for outright winners, which the 20-year-old rarely made.

Schnyder, seeded 10th, made

**TENNIS**  
BY DERRICK WHYTE

25 unforced errors against only 13 winners. "I tried to play aggressive, it's the only way to beat her," Schnyder said. "I made too many mistakes. I was risking too much. I was dominating a lot of the points, but I missed when I had to go for a winner. She was running down all the balls and reacting well. She could read my game a little."

Hingis, who now has a 2-1 record against Schnyder, said that it was the best she had played against her.

"Reading my opponents is my strength," Hingis said. "Most of the time that is my weapon on the court. I pretty much know where the players want to go. That's why I'm number one."

**S**chnyder said she believes her new diet, which includes drinking two to three litres of orange juice a day, will make her a better player in the long run. "For sure," she said. "Otherwise I wouldn't do it."

Seles looked completely out of sorts against the 20-year-old Nagyova, a tall, powerful player who made her opponent appear slow-footed and confused.

**N**agyova has won five titles in her career but had never beaten a top-10 player. "It was for sure some of the best tennis I have played," the 27th-ranked Nagyova said. "I played what I was thinking, some nice, not hitting balls so hard, a little bit clever and I was mentally fit."

Seles was making her first appearance at Indian Wells since 1992, when she won the title. While she reached the semi-finals of the 1999 Australian Open, Seles has only

played three events this year and hasn't won a title in five months.

"My mind wasn't there," Seles said. "She really didn't give me a chance to get into it. My head wasn't there, my game wasn't there. I was just pushing the ball back." When asked why her mind wasn't in the match, Seles snapped, "That's for me to ponder."



**Martina Hingis shows her quality during the 6-1, 6-3 win over Patty Schnyder in the Evert Cup** *Allsport*

**N**agyova's opponent in the quarter-finals will be 12th seed Sandrine Testud, who beat fellow Frenchwoman and eighth seed Nathalie Tauziat 7-6, 6-2. Andre Agassi, the ninth seed, withdrew from the men's tournament, the \$2.45 million Newsweek Champions Cup, because of a right hamstring strain. He suffered the injury on Saturday during a semi-final loss to Jan-Michael Gambill in the Franklin Templeton Tennis Classic in Scottsdale, Arizona.

Agassi's spot in the draw was taken by "lucky loser" Fernando Meligeni of Brazil.

## Sheep dressed up as lamb

**S**ir: Alan Watkins appears to enjoy playing Cassandra to what he feels are England's own-inflated rugby aspirations, and sometimes not without reason, but his fellow countrymen must be disconcerted to read that he seems to be prepared to abandon the land of his fathers in favour of a "Celtic Nations XV". Perhaps he might be reminded that the populations of Wales and New Zealand are approximately equal.

**JIM BURROWS**  
Lyme Regis, Dorset

**S**ir: France and Wales put on a terrific – if naïve – show of running rugby in Paris at the weekend while Ireland and England served up some predictable and fairly dull fare in Dublin. It seems the only certainty emerging from this year's Five Nations is that October's World Cup will not be endangered by any of them.

**FRANK THOMAS,**  
Chesterfield

## Confused? You will be

**S**ir: No one accused Mr Ron Noades of greed when he accepted the exceptionally generous £23m offer from Mark Goldberg for Crystal Palace while still retaining ownership of the ground.

Goldberg desperately wanted the club, Noades knew it and rightly took advantage. That's good business. Mr Noades appears to be waiting in the wings to see if he can pick the club up at a bargain price.

Terry Venables was the man Goldberg desperately wanted as coach. Venables knew it and rightly asked for a generous package. Mark Goldberg agreed. More good business.

This seems to indicate that Mr Goldberg has more than a little to learn from Messrs Noades and Venables about life in the business jungle formerly known as

**JASON CLARK**  
Corbridge

**S**ir: I'm confused. According

to various media reports, Crystal Palace had debts of £3million; a more recent report in your newspaper put the latest figure at £20m.

If, as claimed, the club is showing a profit on transfers since Mr Goldberg's arrival, how can these figures be accurate? And if they are, can someone explain what the money was spent on?

**GERRARD FLOOD**  
Purley, Surrey

**H**igh time for a pantomime

**FA should send for the doctor**

**S**ir: This week a Briton stands an excellent chance of winning the undisputed world heavyweight title when Lennox Lewis fights Evander Holyfield. But the build-up

to the fight is not what I would have expected and certainly nowhere close to the sort of coverage dear old Frank Bruno used to attract.

Could it be that because

Lennox Lewis still talks with a Canadian accent and hasn't appeared in a pantomime that the British sporting public haven't taken to him? You can bet they will if he brings home the world title.

**JOE SIMPSON**  
London

**Ref's red mist**

**S**ir: Once again our cricket selectors are in effect

gambling by picking players subject to their fitness. Surely the lesson must be learned: to contemplate entering any competition with players whose fitness is suspect is at best risky, and, at worst, likely to result in failure, as has been shown before (in football as well as cricket).

There is no fitness test that adequately replicates actual playing conditions over a sustained period of com-

## Caddie 'Fluff' is sacked by Tiger

**GOLF**

BY KIERON DALEY

in Cleveland

at San Diego last month and at the recent World Match Play Championship.

At the time Woods explained Cowan's absence by saying that Bell needed to earn some money for medical school.

Woods said he appreciated the support which Fluff provided and recognised the contributions he made, "but it is time to move on".

Cowan had been Woods' caddie since the three-time US Amateur champion turned professional in August 1996.

Together, they won seven PGA Tour events, including the 1997 Masters.

The caddie change followed reports of a rift between Cowan and Woods, who had turned to high school friend Byron Bell to carry his bag during a victory

Williams was hired after Woods' coach, Butch Harmon, discussed the possibility with Fluff. After getting Fluff's approval, Harmon talked to Williams, then Woods talked to both Fluff and Williams before making it official.

**petition, and to take chances with more than one potential**

**crook beggars belief.**

**I**t isn't just the national team (and its fans) that suffer – spare a thought for players omitted or overlooked, who miss out on the chance to represent their country and the associated rewards.

How galling it must be if they lose out to an

**injury-prone player who is then struck by a recurrent injury.** So please, selectors: think again before picking those whose fitness is suspect.

**DAVID SHARP**  
Putney, London

## Not King Cole

**Sir:** Manchester United's win against Internazionale last night proved the perfect showcase for David Beckham's magnificent precision passing and Dwight Yorke's superb all-round play.

Sadly, it also proved conclusively that, although he scores regularly in the Premiership, Andy Cole's non-existent first-touch will prevent him from reaching the very pinnacle of his profession, something Mr Hoddle suggested shortly before he was shown the door.

**MIKE SHAW**  
Perry Barr, Birmingham

# No quick fix for troubled West Indies

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The decline of cricket in the Caribbean has reached rock bottom – and it shows no signs of improving. By Tony Cozier in Port of Spain

THE SCENE in the stuffy interview room at the Queen's Park Oval in Trinidad on Monday afternoon was as familiar and depressing as one of West Indies' regular batwing collapses.

As the cameras rolled, the recorders whirred and the assembled media shot its questions, the captain Brian Lara, team manager Clive Lloyd, and coach Malcolm Marshall once more tried with an understandable lack of conviction to put a positive spin on their team's latest, most humbling debacle.

Australia had just dispatched their limp batting for 51, their lowest total in 71 years of Test cricket, for victory in the first Test by the massive margin of 312 runs. It was their sixth successive defeat, the second by over 300 runs, following their galling 5-0 drubbing to the still predominantly white South Africans in South Africa where, only a few weeks earlier, the team leadership was always having to explain away another setback.

While disgruntled fans outside demanded "fire the lot", seasoned correspondents from the Australian and British press arrived anticipating resignations. A year ago, the England captain, Mike Atherton, had quit in Antigua after losing the series to the West Indies 3-1. Lara's first at the helm, Pakistan captains are changed as frequently as they change the bowing. England football managers would have been long since seeking alternative employment. Here, there was not the

slightest hint of sackings or abdications, simply recycled platitudes about disregarding the negatives and accentuating the positives, about the batting having to dig deeper, about coming back in the remaining Tests, about the tough job of rebuilding for the future.

"I've had the whole of the Caribbean behind me since I was a teenager and there is no reason to let up," Lara assured the press. "I've always been a big blower."

At a media conference

#### A FADING POWER

WEST INDIES 1998-99

England Kingpins ... Match abandoned England P of Spain ... Won by 3 wickets England ... Won by 242 runs England ... Won by 10 wickets England Antigua ... Won by 62 runs S Africa Johannesburg ... Lost by 4 wickets S Africa Elizabeth ... Lost by 78 runs S Africa ... Lost by 149 runs S Africa Cape Town ... Lost by 149 runs 5 Africa Centurion ... Lost by 351 runs Australia ... Spain ... Lost by 112 runs Played 12, Won 3, Drawn 1, Lost 7, Abn 1

heared five across the Caribbean two weeks earlier, the West Indies Cricket Board roundly carpeted Lara, Lloyd and Marshall after South Africa. That immediately compromised their positions and they have been frustrated since by their lack of influence, within the team and within the Board.

The more relevant truth, as Marshall keeps noting, is that the talent is very thin on the ground, a reflection of the lack of foresight during the glory days when the West Indies were so dominant. All of the leading players of that era were engaged in county cricket, he added.

The West Indies batting collapse on Monday, while extreme, was not surprising. They have been dismissed for less than 200 a dozen times in their last 26 Test innings and have more than 300 only three times. In the 17 domestic Busta Cup matches this season, there were more totals of less than 200 than 300.

Only now is the Board putting in place specialised development programmes throughout the region.

Weekes is not despondent about the long-term future. He

is in charge of a group of under-13s in Barbados where he has identified "lots of genuine talent and genuine interest".

These little fellows are as keen as mustard and learn fast," he said. "What we're doing is trying to instil in them the basics and the discipline that it needs for when they

move on up the age-groups to first-class and, eventually, Test level. Those are two areas that are lacking in the present team."

But there is no quick fix to the current crisis. The next three Tests against Australia are going to be tough to take if you happen to be West Indian.

The West Indies vice-captain, Carl Hooper, said yesterday he may make himself available for the third Test against Australia, pending the latest medical results on his sick baby. Hooper's son is being treated in Adelaide for an undisclosed medical condition. "If all goes well... I'll be back," he said.

## Six pursue final World Cup place

#### RUGBY LEAGUE

BY DAVE HADFIELD

SIX OF rugby league's developing nations are to play off against each other for the 16th place in the World Cup to be held in Britain and France in 2000.

The meeting of the game's International Federation in Sydney yesterday decided that Italy, Lebanon and Morocco should meet in a Mediterranean Cup organised by France.

The winner of that will then meet the side that comes out on top of a tournament involving the United States, Canada and Japan, the winner gaining the prize of the last place in the competition proper.

It was again confirmed that

Japan hope to have Tony Smith back in their squad for their Super League game with Leeds at Headingley a week on Friday.

The Great Britain scrum-half missed the Challenge Cup defeat by the same opponents last month after cracking a bone in his ankle, but has made rapid progress and could force his way back into contention when Wigan try to take revenge.

Wigan's researches have confirmed that their captain, Andy Farrell, has set a club record by scoring in 49 successive matches.

## Routledge counters Nemeth's criticisms

#### BASKETBALL

BY RICHARD TAYLOR

supports Nemeth's argument in that it featured 24 Americans, with no domestic player earning selection.

"The ever increasing interest in the professional game has

been to good news for everyone involved in it, including the England programme," Routledge insisted. But he also acknowledged there was little prospect of enticing home England's leading internationals. In fact from Nemeth's last England squad, nine of the players are

playing for Continental clubs.

The British game can't

compete with the salaries of the top clubs from the Continent," said Routledge. "The leading European clubs have a turnover which is far in excess of any club the top flight of rugby union in this country and comparable to some clubs in soccer's Premiership. We can't – and wouldn't want to – prevent homegrown players from earning the best money available."

"But the current England team has the best crop of players ever in the national programme. Those playing abroad are strengthened by the standard of European competition and those who remain here are strengthened by the in-

creased standard of the Budweiser League.

"We suspend the Budweiser League programme to make players available for England and have met all requests for England training from the start of the season."

Saturday's League Trophy final is now looking even less competitive than previously feared with the Derby Storm losing their 6ft 11in star Nick

Donovan with a knee injury for

the game against the Budweiser League leaders, Manchester Giants. Derby are already without their suspended American Rico Alderson and the England international York Williams.

#### TODAY'S FIXTURES

##### FOOTBALL

7.30 unless stated  
UEFA UNDER-18 CHAMPIONSHIP QUALIFYING GROUP

England v Andorra (3.0) ... (at Rota, Sp)

FA CUP SIXTH ROUND REPLAY

Chelsea v Manchester United (7.45) ... (at Stamford Bridge, 7.45)

FA CARLING FRESHMENSHIP

Derby v Aston Villa (7.45) ... (at Villa Park, 7.45)

Leeds v Tottenham (7.45) ... (at White Hart Lane, 7.45)

Nottingham Forest v Newcastle (7.45) ... (at St James' Park, 7.45)

NATIONWIDE FOOTBALL LEAGUE SECOND DIVISION

Stoke v Reading (7.45) ... (at Madejski, 7.45)

SCOTTISH LEAGUE FIRST DIVISION

Clydebank v Parkhead (7.45) ... (at Parkhead, 7.45)

PRESS & HIGHLAND LEAGUE

Clackmannan Town v Forth Mechanics; Kincardine v Rothies; Peterhead v Cowie Rangers.

LEAGUE OF WALES: Aberystwyth v Carmarthen Town; Caerleon Town v Wrexham (7.45); Connah's Quay v Holywell; Cwmbran v Rhyl; Haverfordwest v Rhylader Town.

RYMAN LEAGUE First Divisions

DR MARTENS LEAGUE Midland Divisions: Newport (Gwent) v Pager Rangers; Solihull Blue & Blackwell; VS Walsall v Shrewsbury.

UNIBORW LEAGUE CUP Third round: Hucknall v Afrington (7.45)

WINSTON LEAD KENT LEAGUE Premier Division: Cray Wanderers v Crookhill.

UNILSPORTS UNITED COUNTIES LEAGUE Premier Division: Northampton v Farnborough; Northants v Bedford; Northants v Stevenage.

UNISET SUSSEX COUNTY LEAGUE First Division: Hassocks v Redhill; Johnstone, Lewes, Lewes City v Eastbourne.

BURGESS HILL v Wrexham (7.45)

SCREENPLAY DIRECT LEAGUE Premier Division: Wivell TR v Bridgwater.

NORTHERN COUNTIES EAST LEAGUE Premier Division: Hallam v Sceybe MW.

JEWSON WESSEX LEAGUE CUP

Semi-final first leg: Cowes Sports v Eastleigh.

JEWSON EASTERN LEAGUE Premier Division: Stowmarket v Sudbury Wan-

PORTINS LEAGUE: First Division:

Port Vale v Middlesbrough (7.0); Tran-

mere v Barnsley (7.15); Second Divi-

Division: Lincoln v Shrewsbury (2.0) (at Lincoln Utd); Wrexham v Huddersfield

#### TODAY'S NUMBER

421

The number of tickets allocated to football

giants Ajax for a

Dutch Cup quarter-

final at Zwolle. The

match was called off by

the town's mayor

yesterday because of

fears of crowd trouble.



## Leicestershire close deal with Kasprowicz

BY MICHAEL DONNELLY

one-day internationals for the West Indies, is being given another chance to make an impact in county cricket after having two seasons with Sussex. Drakes came to the attention of the new cricket manager at Trent Bridge, Clive Rice, when he was looking for an overseas player who would be available throughout the season.

The West Indian has made a name for himself with Border in South Africa by playing a major part in their success in the Super Sport series, taking 56 first class wickets to help them reach the final of the four-day competition where they lost to Western Province. Drakes' decision to base himself in South Africa has meant that he is ineligible for the West Indies, due to their regulations about players playing a certain amount of domestic cricket in the Caribbean.

The Leicestershire manager, Jack Birkenshaw, said: "We said that we would wait until the announcement of the World Cup squads before making a decision on our overseas player. I was delighted that Mullally and Wells for England but this did impact on our bowing resources and as a result we have been seeking a proven international bowler who would not be involved in the World Cup."

The England A coach, John Emburey, believes Michael Vaughan has shown the potential to be a future full Test captain. The Yorkshire batsman has led from the front on the A team's successful tour of Zimbabwe and South Africa, scoring 336 runs and showing natural leadership qualities.

After England A completed their programme with a 46-run win against the President's XI in Cape Town on Monday, Emburey was full of praise for the 24-year-old. "I think that Michael Vaughan has led the side particularly well. His captaincy has improved throughout. He's led from the front and gained the respect of the players all the way through," Emburey said.

Kasprowicz, who last weekend took a hat-trick for Queen's in their Sheffield Shield match against Victoria, will be joining Leicestershire in time for their first friendly against Northamptonshire in April.

Nottinghamshire have also named their overseas player for the new season, signing up the West Indian all-rounder, Vasbert Drakes, following the decision to part company with the Zimbabwe spin bowler, Paul Strang.

Drakes, the 29-year-old Barbadian who has played five

**SOUTHWELL**

**HYPERION**

**1.40 BIGWIG 2.10 Yes Keamo Sabee 2.40 Absolute Majority 3.10 North of Kala 4.30 Tropic Girl 4.40 Samwar 4.40 Complimentary**

GONG: Standard.

STALLS: 51 – outside; res – inside.

DRAW ADVANTAGE: Middle to best for SL, low best for TI.

■ Course 3m SE of town and 5m W of Newark, Rotherham Junction, junction course. ADMISSION: Club £2; Tattersalls £5; OAP members of courses Darfield Club £4, accompanied under 16s free. CAR PARK: Free.

■ LEADING TRAINERS: M Johnston – 43 winners from 218 runners; G Dyer – 40 from 205; S R Hollands – 40 from 204; P McGehee – 37 from 229; D Toffield – 21 from 225 (20%).

■ FAVOURITES: 4/5 Bigwig, 6/5 Absolute Majority, 8/5 Tropic Girl; 10/1 North of Kala (3/2); Complimentary (1/4); 4/1 Long-DISTANCE TRAVELLER: Bigwig (1/40) & North of Kala (3/10) have been sent 15% more.

It was again confirmed that

**FORM VERDICT**

Tonight Yes Keamo Sabee deserves a win and should go, but lurking at the bottom of the weights is the very interesting LADY COULDNEIL. There is no doubt that the step up in trip will be ideal for Nevile Callaghan's filly, whose dam has produced four winners over middle-distances or further, and whose colour (2m or 3m) is in line with the Newmarket maiden last October suggested she should also win her share of races.

**2.10 HERON MAIDEN HANDICAP (CLASS E) (DIV I) £2,500 added 1m 3f**

1 002-2 YES KEAMO SABEE (12) D Draw 4 9 10 ... L Newton 7 2 350-4 MARK TIME (10) P Hodges 4 9 11 ... A Clark 5 3 400-4 RABBITA (12) D Murray Smith 4 9 12 ... C Lewin 8 4 600-4 RIGOLETTO (12) C Thorne 4 9 12 ... D McGehee 9 5 650-4 TWO ON THE BRIDGE (12) J Green 4 9 12 ... A Callens 3 6 72-33 WESTERN COMMAND (19) S Pate 4 9 12 ... G Bell 12 7 43-45 TIME FOR LAGER (12) J Wharton 4 9 12 ... F Norton 8 8 45-46 THE CANNAE ROVER (12) M W Eastby 4 9 12 ... D Gilligan 11 9 52-46 SPECIALIZE (12) J Burke 7 7 12 ... J Burke 11 10 45-46 EIFFEL TIGER (18) B Cox 4 9 10 ... Martin Dwyer 18 11 00-01 LADY COULDNEIL (25) N Callaghan 3 7 10 ... G Bell 12 12 00-02 TIERRA DEL FUEGO (16) H Colquhoun 5 7 10 M O'Brien 20 13 00-03 SUPER-GEM (27) J Wangetti 7 7 10 ... G Bell 8 14 00-04 SUPER-GEM (27) J Wangetti 7 7 10 ... G Bell 8 15 00-05 SUPER-GEM (27) J Wangetti 7 7 10 ... G Bell 8 16 00-06 SUPER-GEM (27) J Wangetti 7 7 10 ... G Bell 8 17 00-07 SUPER-GEM (27) J Wangetti 7 7 10 ... G Bell 8 18 00-08 SUPER-GEM (27) J Wangetti 7 7 1

# Meade's Cardinal rule can end wait

IT IS a peculiarity of the Cheltenham Festival that it likes to leave many of its stellar figures outside on the dormer before admitting them to the hall of ex-cellence.

It took David Nicholson 18 years before he could go in and hang up his sheepskin coat, but the Duke's rolling ball has reached Indiana Jones proportions and he now has 16 winners at the meeting to his name. Josh Gifford too had to wait 18 years until 1988, when he made them pay by banging three out at once. We think of Kim Bailey as being a monolith of the meeting following his Champion Hurdle and Gold Cup double with Alderbrook and Master Oats in 1995, but that followed a blank scrapbook stretching back 17 years.

Performance elsewhere, it seems, is no guarantee to success on the mightiest of stages. At the head of the lengthy queue which still stretches from the Festival office these days are Paul Nicholls, who sends out winning chasers by the lorry load in this country, and Noel Meade, Ireland's leading practitioner over jumps.

Meade seems to have been trying since the first Noel, yet he is still knocking. It is, in fact, 22 years since the man from Tu Va stables at Castletown, Navan, Co Meath, started sending over his warriors. There have been some near things.

In 1992 Meade had in his keeping a beast called Tianamen Square, who may not have

BY RICHARD EDMONDSON

been the most sensitively handled horse in training but was nevertheless an animal of huge ability. His problem was that his nation sent over an even more potent animal for the inaugural bumper that year in the shape of Montelado.

Twelve months ago, Hill Society seemed to have wrested the Aride Trophy away from Champielle up Cheltenham's yawning run-in, but, after a droning wait of 15 minutes which must have felt as long as the barren years that had gone before, Meade was again denied.

All this has not made the man bitter. He is a most affable figure in all forms of company, though he does hope his circle is about to extend to those preferring trophies on podiums.

"I'd like to knock this Cheltenham thing off, but we can

only go and do our best each time," he said yesterday. "We've been a bit unlucky a few times."

RICHARD EDMONDSON

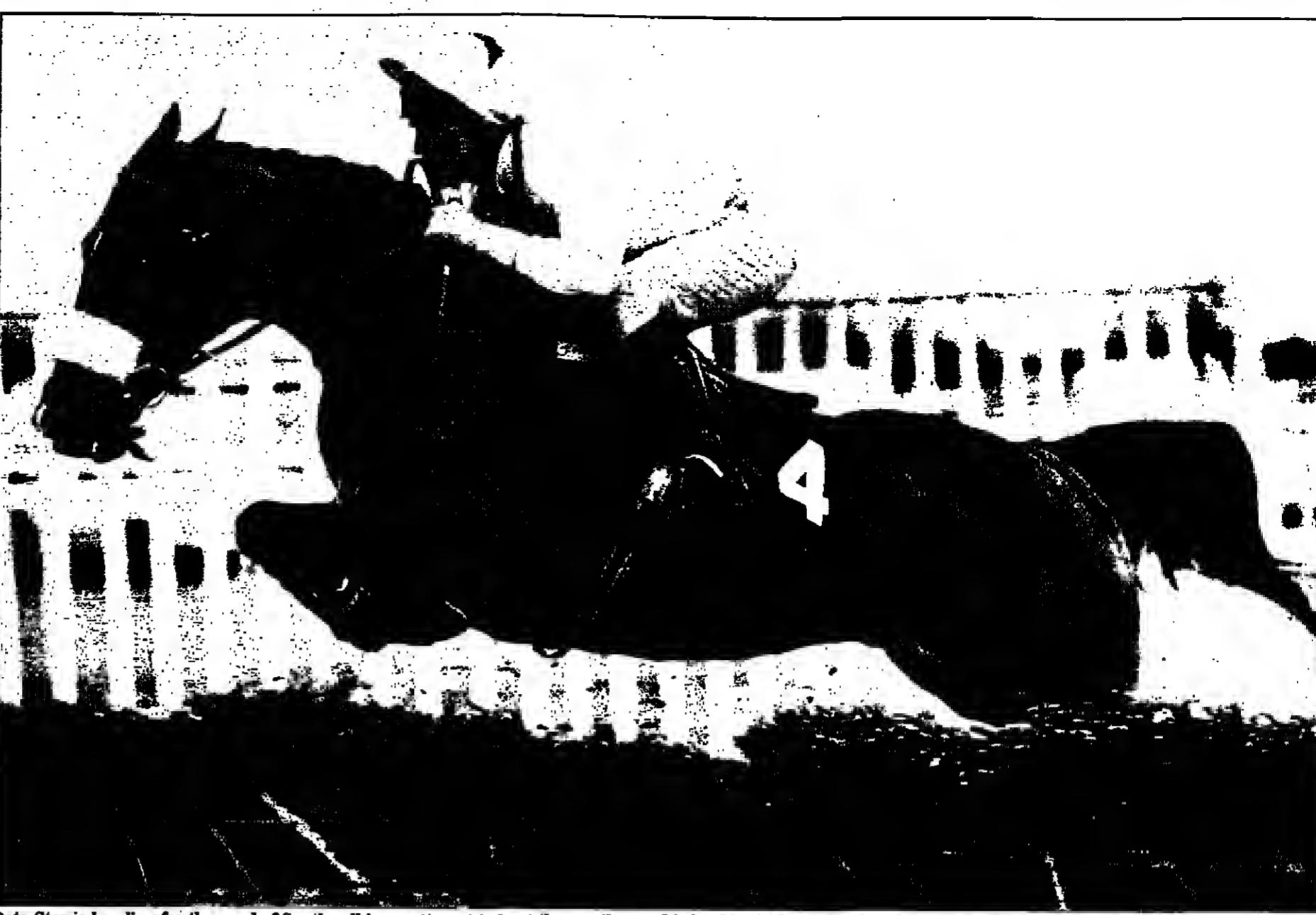
Nap: North Of Kala (Southwell 3.10)  
NB: Aussie Bob (Bangor 3.50)

and if we get in the door once that might be it."

"We haven't really had that many runners, because for a long time we were training flat horses rather than jumpers, but this is the biggest team by far. There might be seven or eight or maybe more, depending on the ground."

Meade almost enjoyed the greatest day of them all on the Flat at Epsom last June when Sunshine Street, a supposed water carrier in the Derby, ran an astonishing race for a 150-1 shot in the hands of Johnny Murtagh. He led until just over a furlong out and frightened a lot of punters.

Next week though there will be few long shots from Noel Meade, few horses without a considerable chance, especially as his yard has just reawoken



Data Star is heading for the sand of Southwell in an attempt to beat the weather and bring him to fitness in time for next week's Cheltenham Festival

Phil Smith



Meade: 22 barren years

## BANGOR

### HYPERION

2.20 Irianos 3.50 Roker Joker  
2.50 SANTA JET (nap) 4.20 Red Rebel (nb)  
3.20 Mister Blake 4.50 Harem Scarem

GOLDF: Chases - Hoey: Hurdles - Sol  
NB: Handi, undulating course: run-in 325yds.

Course is 5m SE of Wrexham junction of A528 and B5008. Bus service from Wrexham station. ADMISSION: Paddock £10, Course £5 (under-16s free at enclosure).

CAR PARK: free

LEADING TRAINERS: M Pipe - 25 winners from 100 runners gives a success ratio of 25%. O. Hitchens 14 from 60 (23%); N. Tolson-Devis 13 from 71 (18.3%).

LEADING JOCKEYS: R Dunwoody 15 wins from 82 rides gives a success ratio of 24%; A P McCoy 14 from 63 (22.2%); C Llewellyn 12 from 74 (16.3%); B Harding 11 from 42 (26.2%).

FAVOURITES: 157 wins in 439 races (35%).

BLINKERED FIRST TIME: 420 (Dunwoody).

### FORM GUIDE

Irianos: Useful staying novice hurdler last term. Should be sharper for useful Taunton comeback and interesting conditions on chase debut. Looks the part and sure to be well schooled, although without the blinkers he needed over hurdles.

Kiper: Formerly useful. Fast outing on 7 lengths 2nd 4/1 to Kingfisher Pet at Plumpton (2nd). Now solid. The odds to him are 10/1.

Hyperion: Solidly built over hurdles but in decline and hard to fancy on chase debut. No obvious chance.

Verdict: Kisan Star looks the safe option following his solid debut at Plumpton (2nd). Even though the form is out of shape, he has a good chance on the flat.

Verdict: Irianos: 157 wins in 439 races (35%).

Verdict: Hyperion: 157 wins in 439 races (35%).

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Boxing: Generations of horizontal British heavyweights can be avenged at Madison Square Garden on Saturday night

# Lewis fighting America's prejudice



RICHARD  
WILLIAMS  
IN  
NEW YORK

THE BIG MEN came back to the Big Apple yesterday, only to find that America's mind was on another time and another place. For a while, at least, the winter of '99 took a back seat to the summer of '41. Evander Holyfield and Lennox Lewis could only sit quietly and wait their turn while baseball fans mourned Joltin' Joe DiMaggio, remembering the year of his great batting streak and proclaiming an American hero.

The notion of losing another American property, the heavyweight championship of the world, is not on their minds. You would have to look hard to find any local expert, other than those connected with Lewis's camp, who do not feel that Holyfield will emerge from

Madison Square Garden on Saturday night as the first undisputed champion since Riddick Bowe took all three titles from him in Las Vegas in November 1992.

According to Lewis, the reason is nothing to do with his prowess as a boxer and everything to do with his decision to fight under the British flag. Responding to the words of Wallace Matthews of the *New York Post*, who dismissed him this week as a man with "three passports but no credentials", Lewis said: "I've been reading that kind of thing ever since I've been in the United States. I've got used to it. If I'd come here straight after the Olympics, they'd have adopted me and everything would have been fine. As it is, I'm classed as a British fighter with everything that involves."

If the Americans feel that Lewis has generations of horizontal heavyweights to live down to, they may be deluding themselves. He will bring not only the World Boxing Council title into the ring on Saturday



Heavy work: Britain's Lennox Lewis hammers away in a New York gym yesterday in preparation for the most important fight of his career, against Evander Holyfield. Allsport

but also the stature of a genuine heavyweight champion, albeit one whose career has been often diverted and occasionally thwarted by the sort of commercial considerations that have little to do with the science of pugilism, but have nevertheless weighed heavy on the sport throughout its history. Evading an opponent outside the ring is sometimes as important as dodging his punches inside it, and Lewis, at 33, has been a frequent victim of elusive opponents - beginning with Bowe, who jettisoned the WBC title rather than put all three belts at risk in a confrontation with the man who belonged either in the psychiatric ward (Oliver McCall, on their second meeting) or the knacker's yard (Tommy Morrison, Henry Akinwande). As he faces the biggest fight of his ca-

reer, maybe even Lewis does not know who you are and what you've done." Lewis said this week. But even his boosters are sometimes less than sure about that. The most enigmatic of fighters, Lewis has several fine performances to his credit, notably his second-round demolition of Donovan Ruddock in 1991 and his 95-second demolition of the unpredictable Andrew Golota 18 months ago, but his escutcheon remains tarnished by the memory of his slow start against Frank Bruno at Cardiff Arms Park in 1993 and victories against several men who belonged either in the psychiatric ward (Oliver McCall, on their second meeting) or the knacker's yard (Tommy Morrison, Henry Akinwande). As he faces the biggest fight of his ca-

reer, maybe even Lewis does not know which version of himself will answer the first bell at the Garden.

At least this fight will not be subjected to unfavourable comparisons with DiMaggio's deeds. Had Mike Tyson been fighting this week, his life and

between two men of good public behaviour and reasonably unblemished reputation - although Lewis tried to ruffle Holyfield's feathers last week by describing him as a "hypocrite" for presenting himself as a Christian while fathering children by numerous women. But

For this is, in boxing terms, as close as one can come in today's climate to a straightforward contest between the two best available contenders. Admittedly, the competition below them is hardly impressive, but that only makes this more like most other eras, rather than less.

All 18,000 seats at the Garden were sold out within a fortnight of the announcement of the fight, which suggests that American boxing fans are taking the event seriously - although there is a nice but unverifiable story that, after the \$1,500 (£930) ringside seats had gone in a rush, a slower response to the next tier of \$1,000 (£620) tickets was solved by putting them, too, up to the

top price. New Yorkers are pleased to see a big fight back in their town, where so much of the sport's history was written.

The current Garden is the fourth to bear that name. The first of them really was built in Madison Square, near the Flatiron building on 23rd Street at Fifth Avenue. The third, on Eighth Avenue at 50th Street, was the one in which boxing legends were created, and was surrounded by gyms and fight taverns - Lou Stillman's Gym, the Times Square Gym, the Neutral Corner and Jack Dempsey's Bar. This was where Rocky Marciano knocked out Joe Louis, and where the young Cassius Clay came on 13 March 1963, 36 years to the day before Saturday's fight, to withstand a hail of boos from a

*'I can live with all this put-down stuff because I know that it's within me to become the undisputed champion of the world'*

works would no doubt have been held up for instructive comparison with the flawless dignity and grace of the Yankee Clipper. Instead we are presented with a boxing match

that, like the sudden surge of rumours concerning Lewis's sexuality, which obliged the fighter to out himself as a heterosexual, is likely to be forgotten as the fight nears.

## Fragile truce in war on the water

Tales of paranoia, breached security, aggression and team discord tell us that sailing's oldest event is underway. By Stuart Alexander in Auckland

THE BICKERING is in full swing, the budgets are escalating and egos are already being bruised. It must be America's Cup time again.

Sport's oldest trophy may be moving into the 21st century, but it cannot bear to relinquish its grip on the 19th, when its culture was established.

Adding to a powerful cocktail of technological stars on the equipment side and psychowars ashore, this week came a threat by the president of the sport's world governing body, the International Sailing Federation, to outlaw the whole event.

Paul Henderson's gripe is over who makes the rules and who appoints the referees to administer them. He has also insisted that he wants the competing syndicates to pay about \$500,000 (£310,000) to the ISAF. But, in his latest missive from his Canadian home, Henderson says: "I told them to forget the dollars and run an outlaw regatta if ISAF did not at least ensure fair play. They are now renegeing on their agreement to run under ISAF rules and let the body appoint the umpires" and I may have to make it an outlawed event, with the relevant penalties for the sailors and ISAF officials."

As if there were not problems enough without threatening to expel the top players. There were howls of dismay when New Zealand announced, in San Diego in 1995, that their win was the last the world would see of an America's Cup in the 20th century. They would, said their national hero and soon-to-be knighted Peter Blake, defend in February 2000. That meant the event went into a state of suspended animation as the world turned to countless Test matches, five Super Bowls, an Olympic Games and a football World Cup.

But over the last fortnight in Auckland, the lights were turned on again. It was not just

the New York Yacht Club, there were immediate accusations of duplicity of the kind the club endured a century ago.

Whatever had happened to the pledges to turn the America's Cup into a friendlier event instead of being riddled by paranoia about security, with people using lasers and infra-red to hack into data transmissions, or stealthy divers to take pictures of secret keel designs?

But the aggression on the water has already begun. The pilot of the Team New Zealand support boat took exception to the close attentions of his Nippon Challenge opposite number and took radical action. He rammed the Japanese boat hard, dropped back and rammed him again. The police were on standby next time the two New Zealand boats went out.

There were signs of a more relaxed approach in the warm-up regatta held in Auckland last week. The Italians, who fly in their own food for their cooks to prepare, held a party and invited crews from the rival syndicates. To be seen fraternising with the enemy in the past would have been a guillotining offence, but here was everyone happily mixing, including members of the arch enemy, the defending Team New Zealand.

A softer touch is also promised by the only woman skipper in the self-styled City of Sails, San Francisco's Chicago-born Dawn Riley. She has local Olympian Leslie Egnat calling some of the shots. Riley neither gives nor looks for any quarter for her American True crew but says she is planning a more

open approach in her compound. "We don't want it to be like a fortress," she says. "So we will be building a viewing deck for the public. We want the atmosphere to be friendly."

The Italians can afford to be generous. Backed by the Italian fashion house of Prada, they are said to be the best-funded of the 10 likely challenges, including five from the US. But Prada boss Patrizio Bertelli is smiling all the way to the bank since he bought a 9.5 per cent stake in Gucci last November and then sold it for a near-NZ\$200m (£86.2m) profit in January to Louis Vuitton.

And he also has employed Doug Peterson, who knows exactly how the Kiwis won the Cup in San Diego, having been on their design team. The challengers may be united in the

wish to defeat New Zealand now but they are also squaring up for their own battles, even though the first Louis Vuitton race is seven months away.

There are also splits in Team New Zealand, and between TNZ and the sailing community in Auckland. One overseas sailor claimed he had uncovered, to his horror and disbelief, the "Kiwi life list".

On it are people who are now outsiders as far as TNZ is concerned. For life.

The city itself has invested about NZ\$850m into infrastructure which they hope they will be able to use twice because of a successful defence, and are following up with another NZ\$1.5m to smooth the path of the Volvo Race in 2001. There is a fear, however, that, if they are all finished in time, there will be a huge oversupply of apartments. But the Cup has given a kick-start to both attitudes and interest and provides the focal point of Viaduct Basin's America's Cup Village. This includes a visit of over 100 super-yachts and the development of 35 restaurants and bars for them and for every visiting Kiwi around the basin, from which the world can watch the yachts entering and leaving each morning and evening.

The trouble for the Kiwis is they have no defender trials, so they have to be content with limbering up for four months before taking to the water themselves. Still, no one is betting heavily against them.

And if the frenzy is all too much, then it is a short plane ride to Blenheim on the northwest of South Island. There you can find a gillie called Tony Orman and chase some very elusive brown trout, washing away the frustration in the evening with some Cloudy Bay Chardonnay from the local Marlborough wine fields.

The colour of the water on the racecourses of the Hauraki Gulf will be a lot more murky.



Defending champions Team New Zealand at the start of their Road to the America's Cup race against Italy. AFP

## Darbon saves Oxford

HOCKEY

By BILL COLWILL

lead following a long pass from Gareth Weir.

Cambridge took the lead when their former Oxford Blue Adam Laird won a penalty corner in a clash with David Eadie, the Oxford captain, and then deflected Ian McCleve's powerful drive into the roof of the net.

Cambridge took victory in the women's game for the fifth time in a row, triumphing 4-1.

## PHILIPS SAFETY RECALL

### Philips PCA 120SA and PCA 300SA multimedia PC loudspeakers

Our ongoing quality assurance programme has identified a possible fault in the above ranges of Philips multimedia PC loudspeakers, sold between 1996 and 1999. The fault could cause the loudspeaker to malfunction and become unsafe.

IMPORTANT: To identify if you have one of these speakers, please check the product label (which is attached to the underside of the main speaker unit) and then check whether the product number matches one of the above numbers. If you find you have a set of Philips PC loudspeakers with product number PCA 120SA or product number PCA 300SA, PLEASE STOP USING THEM IMMEDIATELY AND CALL THE FREEPHONE NUMBER BELOW.

0800 896 324

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PHILIPS

# Gough ready to inspire Forest

RICHARD GOUGH is poised to return to first-class action in England tonight after an absence of almost 12 years.

The former Scotland skipper, who has joined Nottingham Forest on loan for the remainder of the season, will make his debut for the Premiership sitters at home to Newcastle. And at the age of 36, he is relishing the chance to return to a stage he graced with Tottenham.

Gough has spent most of his glittering career north of the border with Rangers but had a successful season with Spurs in the 1980s. He said: "I had offers from a number of First Division clubs but I wanted, first and foremost, to join Nottingham Forest. I'd rather be playing against the likes of Newcastle, Middlesbrough and Liverpool than First Division opposition. I don't mean to sound disrespectful but, given the choice, most people would opt to play in the Premier League."

Gough has 11 games in which to make an impact at the City Ground and try to help Forest plot a survival course. That looks to be a tall order for last season's First Division champions. They have only 17 points to their credit and are 10 points adrift of safety.

But Gough insisted: "It's not impossible that Forest can stay up, although I can't deny it doesn't look too good. At Rangers, we found that winning became a habit and the same applies to losing. It's a difficult habit to break, as Forest has found this season, but by the same token it's amazing what a couple of wins can do and hopefully we can achieve just that."

Gough is likely to take the place of Christian Edwards at the heart of the Forest defence to face a Newcastle team who stormed into the FA Cup semi-finals on Sunday with a 4-1 win over Everton.

Their manager, Ron Atkinson, is also able to recall Alan Rogers and Andy Johnson, who are both free from suspension, but Carlton Palmer and Nigel Quashie must serve one-match bans. Mark Crossley is expected to retain his place ahead of Dave Beasant. Crossley returned to the first team in Forest's goalless draw with

## FOOTBALL

BY MARK PIERSON

Charlton 10 days ago after almost two years on the sidelines.

Meanwhile, George Graham is tipping his old club Leeds United to get into Europe again this season - but his sights are firmly set on Tottenham joining them.

The Spurs manager has his latest reunion with the Yorkshire club at Elland Road tonight - the third meeting since he left in October to return to north London.

Tottenham's 2-0 victory in an FA Cup fourth-round replay two weeks ago at White Hart Lane did little to pacify the Leeds fans who still feel he cynically deserted them, but Graham insists: "They've gone from strength to strength and if people thought about it properly they would appreciate the work I did in turning the club around during my two years there. Now David O'Leary is taking them on to even better things and deserves full credit for introducing a lot of talented youngsters into the side."

"I believe Leeds will finish in the top four this season and qualify for Europe again. They have a lot of quality there already and the potential to become an outstanding team."

Leeds bounced back from their cup disappointment at Spurs to move into fourth place in the Premiership with a 2-1 win at Leicester last week, and Graham admits they now represent a big threat to Tottenham's unbeaten run of 16 matches - 10 of them draws...

"It is another big game for both clubs and it is as exciting as the cup replay in which Leeds played some superb football there won't be any complaints from the fans," said Graham, who wanted to take O'Leary with him to White Hart Lane as his No 2 but has now increased the Arsenal connection there by recruiting his former Highbury assistant, Stewart Houston.

"I'm happy with the progress we are making and I think the fans are, too," said Graham. "We are in the top 10 now playing well and I think we are capable of going higher."

His mental state improved, but his eventual return saw

MARK VIDUKA claims he had no idea what to expect from Scottish football, but after his remarkable full debut at Greenock Morton, the game north of the border realises what it will receive from him.

Until now, Viduka's name has been a source of embarrassment for the Parkhead club, after his dramatic walkout within days after joining last December, citing stress.

His mental state improved,

but his eventual return saw

doubts expressed about his physical fitness with the fear that he might not be able to make an impact until next season at the earliest.

In the inauspicious and bleak surrounds of Cappielow on Monday night, Viduka took less than 10 minutes to force his critics into the kind of urgent realisation that he himself famously displayed when he first arrived in Glasgow.

Viduka said: "It was a great

feeling to score. Cappielow was very different to Celtic Park, but

membered. And without doubt more than the 13,500 present for the Scottish Cup quarter-final at Greenock will claim they were there to see it.

A clever drag-back with his left foot was followed by an arrogant but powerful flick of his right, sending the ball curling with power into the top corner of the net beyond Aly Maxwell's reach.

Viduka said: "It was a great

feeling to score. Cappielow was

very different to Celtic Park, but

we handled it well and now have a good chance in the Cup.

"It was a very physical game

and I admit I didn't know what to expect from Scottish football

when I signed for Celtic.

"Playing against them for

Croatia Zagreb had given me an

idea, but I knew little about the

rest. Already I can tell it will be

quick and physical and will

take me a while to adapt."

On last night's show, however,

Viduka had no concerns about being outmuscled

after surviving a tough initiation at Greenock Morton. The First Division outfit surprised themselves and did not deserve a 3-0 home reverse, but ultimately it was Viduka's touch on the ball as well as his refusal to be knocked off it which made the difference.

Celtic were never allowed to

settle, even after Larsson had

doubled their tally. Only when

Viduka notched a fortunate

33rd minute second, via a deflection, could they be consid-

ered safe.

It is a result which now leaves the prospect of Hampden Park being poised to mark its rebirth with the first Old Firm Scottish Cup final in decades. In a season where no sustained challenge has emerged against the Glasgow clubs, it would be a fitting conclusion to the season.

John McInally's sending-off

giving him three yellow cards

in the tournament - could rule

him out of the final unless

Celtic's semi-final clash with

Dundee United or Ayr goes to

a replay.

Another issue to be settled is the question of whether Farry will now lose his role on the Uefa Club Competitions Committee. He was voted onto the committee last year.

Leading candidates to

replace Farry at Parkend

include the Scottish Football League secretary, Peter Donald,

SFA secretary Tony Higgins,

Rangers director Campbell

Ogilvie and former English FA

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# SPORT

THE PUNDIT WITH PEDIGREE P18 • LARA'S WEST INDIES IN CRISIS P20

## Indian striker adds spice to Villa's options

ASTON VILLA could be poised to introduce the Premiership's first Indian footballer after taking the international striker Bhaichung Bhutia on trial.

The 21-year-old has appeared 31 times for his country, scoring 21 goals, and has permission from his club, East Bengal, to train at Villa Park this week. The Villa manager, John Gregory, plans to assess the player's qualities before

### FOOTBALL

BY TOMMY STANNIFORTH

deciding whether to invest in a forward who would command a nominal fee.

Gordon Smith, acting as the player's agent, said yesterday: "Bhaichung is regarded as India's top footballer and Villa are keen to have a look at him. There is a large Indian com-

munity within the West Midlands area and the club are keen to search for fresh talent which reflects this."

Villa did make one concrete move yesterday with the signing of Mark Delaney from Cardiff. The 22-year-old Wales B wing-back was playing for the League of Wales side Carmarthen Town just a year ago and admitted the deal was "a bolt from the blue".

A string of impressive performances during the Welsh club's Third Division promotion challenge this season led to him being tracked by a number of top sides including Arsenal, Chelsea and Celtic. But Villa were the first to make a move and Delaney has signed a four-year contract which could net Cardiff up to £500,000, depending on the number of first-team appearances.

The Blackburn Rovers manager, Brian Kidd, has switched his search for a midfield player to Rangers' Charlie Miller after he was snubbed by West Ham after a renewed bid for Steve Lomas. Rovers have offered around £4.5m for Lomas, the Hammers captain, but Harry Redknapp wants £5.5m. Kidd has been alerted that Miller can leave Ibrox for around £1.5m and has had him

watched playing for Rangers reserves.

Steve Harkness has signed a three-and-a-half-year contract with the Portuguese giants Benfica. The Liverpool defender trained with his new team-mates on Monday and is expected to make his debut against Boavista in the Stadium of Light this Sunday.

Derby's player-plus-cash bid for Vas Borbokis was yesterday

on hold as Sheffield United tried to raise enough money to tempt Jonathan Hunt and Robbie Kozluk to move to Bramall Lane.

Borbokis, who is on the transfer list after a dispute with the United manager, Steve Bruce, had been expected to move to the Premiership club today. But with United £2m in debt, it was unclear whether they would be able to offer Hunt and Kozluk sufficient

money to get them to drop down a division.

World football's ruling body, Fifa, said yesterday it would conduct trials involving two referees officiating each match in "top leagues" from next season. They will probably be in Italy and France.

John Lambie was yesterday confirmed as the new manager of the Scottish Second Division side Partick Thistle.

## Collymore 'should be in hospital'

BY NICK RIPPINGTON

STAN COLLYMORE'S long-term future as a player is in some doubt after his doctors decided that he should continue his medical treatment in a psychiatric hospital.

For the moment, the Aston Villa striker will continue to receive treatment three days a week and train for two days, but his doctors would prefer him to spend the full week in hospital.

John Gregory, Aston Villa's manager, has had another lengthy discussion with Collymore over the immediate implications of the player's hospitalisation.

"We were both able to put over our points of view," Gregory said yesterday. "Stan was able to make me aware of what it is like to suffer a clinical depression. For it was being able to tell him how vital it was to have players racing to go and to give everything they've got on the field every Saturday afternoon. There are also the problems I face with Stan being unavailable to me for three days a week.

"We made one or two points to each other as I'm totally ignorant of the fact of what is clinical depression and what it is to suffer from this complaint. Unfortunately we've no idea how long it will continue. I'm willing to go along with the present situation for the time being but I said three months ago it will be me who has to take all the blame for him not being able to cope with this problem.

"I wouldn't wish the situation

on any other manager and Stan himself wouldn't wish his problem on anyone else."

Gregory explained that Collymore cannot influence his mood swings, but he said the player appreciates his problems as a manager.

"He has been very articulate in the way he has described his daily problems when he has no control over his moods," Gregory said. "His doctors have told him what happens to people when they suffer this particular problem. I am now slightly more understanding of his condition and problems which he has seemingly had for a very long time.

"He understands the chairman and board have paid a lot of money for him and that as a manager I would like to select the best team that will win every week.

"Stan has made it plain to me that he doesn't want to play for any other club but Aston Villa and is totally committed to Villa and do his best for the club. But as a football manager I have to produce a winning team. My whole life revolves around sending out a winning side. If the components are not right then you don't have a winning team.

"If Stan Collymore is in the side he must be performing particularly well in every game he plays as in the Premiership we cannot afford to carry any passengers."

"Currently he is visiting a

psychiatric hospital three days a week, it's not a very nice place to be and it's not from choice. But I can't come to terms with the situation looking at his life and circumstances. I am however prepared to give him the benefit of the doubt.

"There has to be a decision somewhere down the line where he attempts to be with us more often. He himself wants to get well and that means more to him than a football match. He has tried everything to overcome these feelings he has had and he can't at the present time. He can get up tomorrow morning and not know how he feels. Some days he could climb Everest and other days he can't climb out of bed.

"But it all seems to be a waste of talent. I've often sat there watching him play wishing I had been blessed with such talent. I've told him many times that he should do better for himself. His best game for me was probably his first when he scored two goals. That was his standard which he has since failed to reproduce.

"We now know a little more about him but I couldn't cheer him up even after that game when he had scored two match-winning goals against his old club Liverpool. He went off to a standing ovation yet in the dressing-room he was depressed, giving an early indication of the highs and lows he suffers."

"Unfortunately his mind is totally negative as he always sees the downside of any situation."



Eric Cantona tackles Brian Laudrup in training in Barcelona yesterday for a match between a World XI and a Barca Dream Team

## Ferguson keeps the heat on Wenger

BY DAVID ANDERSON

ALEX FERGUSON has aimed a well-placed dig at the Arsenal manager, Arsene Wenger, in their continuing battle of minds. The two adversaries are once again trying to unnerve each other as the pursuit for honours comes to a climax.

The Manchester United manager began the latest exchange when he claimed his side's goalless draw with Chelsea in the FA Cup on Sunday made the Gunners favourites for the title. Wenger countered Ferguson by claiming the advantage was with Old Trafford's treble-chasing team.

Wenger also offered to swap positions with the Scot if he was so confident that the champions have the advantage. Now Ferguson has hit back at the Frenchman, saying: "I can understand his offer because we're in the Champions' Cup and they're not."

Ferguson and Wenger's psychological war would be bound to escalate if United beat Chelsea in tonight's quarter-final replay and set up a semi-final date with the Gunners at Villa Park on 11 April.

Ferguson is expected to re-

vert to a more familiar 4-4-2 formation for the Stamford Bridge tie after playing Ole Gunnar Solskjær as a lone striker and Phil Neville as a man-mark at Old Trafford on Sunday.

Ferguson's tactics did confuse Chelsea initially, but they were not enough to break down the Blues' 10 men in the second half.

Dwight Yorke and Andy Cole should return to spearhead the attack, although Ferguson claimed he would be decided on his line-up only after the team arrived to London. Jaap Stam is available after suspension and Ryan Giggs returns after a

nose operation, but Nicky Butt and Ronny Johnsen are still injured.

Ferguson said: "We've got to consider how we can get through to the next round. We created enough chances on Sunday to have won it and the only difference being, I would imagine, at home Chelsea will have more of the game than they did at Old Trafford."

So far this season 270 minutes of football have not been enough to separate these two heavyweights, but there must be a winner tonight – even if it requires penalties – and Ferguson is anticipating another

tight contest. "The fact that it was zero-zero on Sunday tells the scoring ability of both teams," he said.

"We had a 0-0 draw at Stamford Bridge and a 1-1 earlier in the season which suggests a closeness between the two sides and thereby you would expect another close game."

"When good teams play each other there is always a certain professionalism and pride that comes into play and that's what we will see tomorrow."

"It should be a smashing game and with so many quality players on the pitch it should be entertaining."

## Howley calls for Welsh unity

RUGBY UNION

BY DAVID LLEWELLYN

ROB HOWLEY yesterday appealed for an end to the dispute which has given domestic rugby in Wales and ostracised their premier clubs Cardiff and Swansea, forcing them to participate in an unsanctioned series of friendly matches against English clubs.

"We need a unified game in Wales and hopefully we saw the start of that in Paris on Saturday," Howley said. "But it's only a start. This has been going on for the last 18 months and the players and the supporters have had a gutful with all the infighting. I think this is the best time to sort it out, prior to a

decide on further disciplinary action but Howley, who plays for Cardiff, said: "I just hope it can be resolved. I don't know whether Cardiff and Swansea will be expelled. I hope not. The two clubs are steeped in history."

"At the moment there's a number of international players playing for the respective clubs and [their loss] would be detrimental to Wales international chances in the future."

"I would rather they came

out with some sort of agreement, whether that means Cardiff and Swansea return to the WRU fold or something that has to be sorted out, but sooner rather than later."

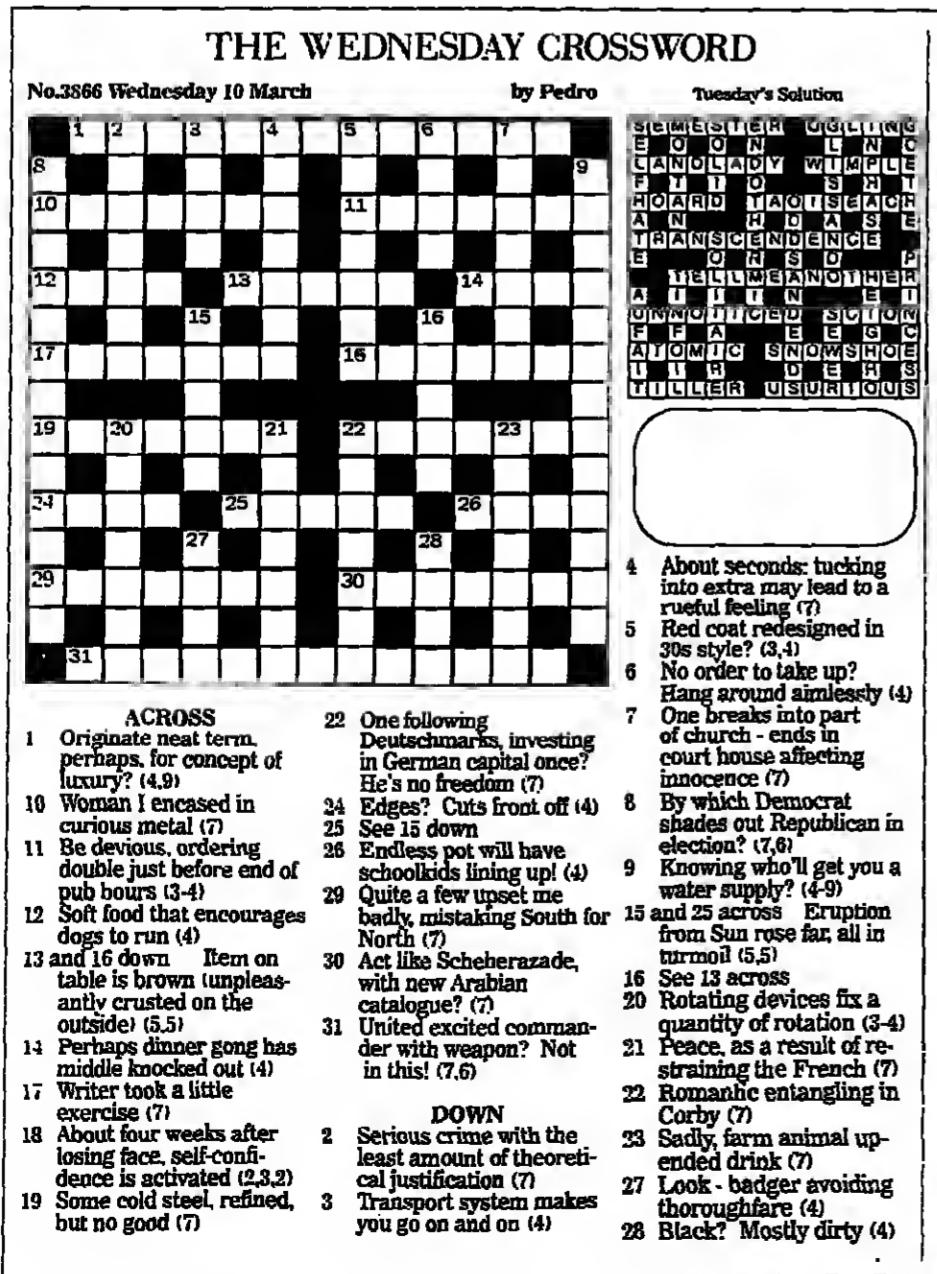
There was no trace of the feel-good factor at Leicester following Austin Healey's disciplinary hearing on Monday at which his club ban of three weeks was exceeded by a further five and ruled him out of the rest of the Five Nations' Championship. The Tigers said

they were considering an appeal.

Yesterday David Jenkins, who came the third major off-field departure at Bath in less than a year when he resigned from his post as sales director, Jenkins follows non-executive

Tony Swift and former chief Stephen Hands out to the West Country club.

Wigan Rugby League have dropped their threat to take out a winding-up order against Newcastle Falcons after they paid their latest £150,000 instalment towards the £750,000 transfer fee for Vai'iga Fugamala.



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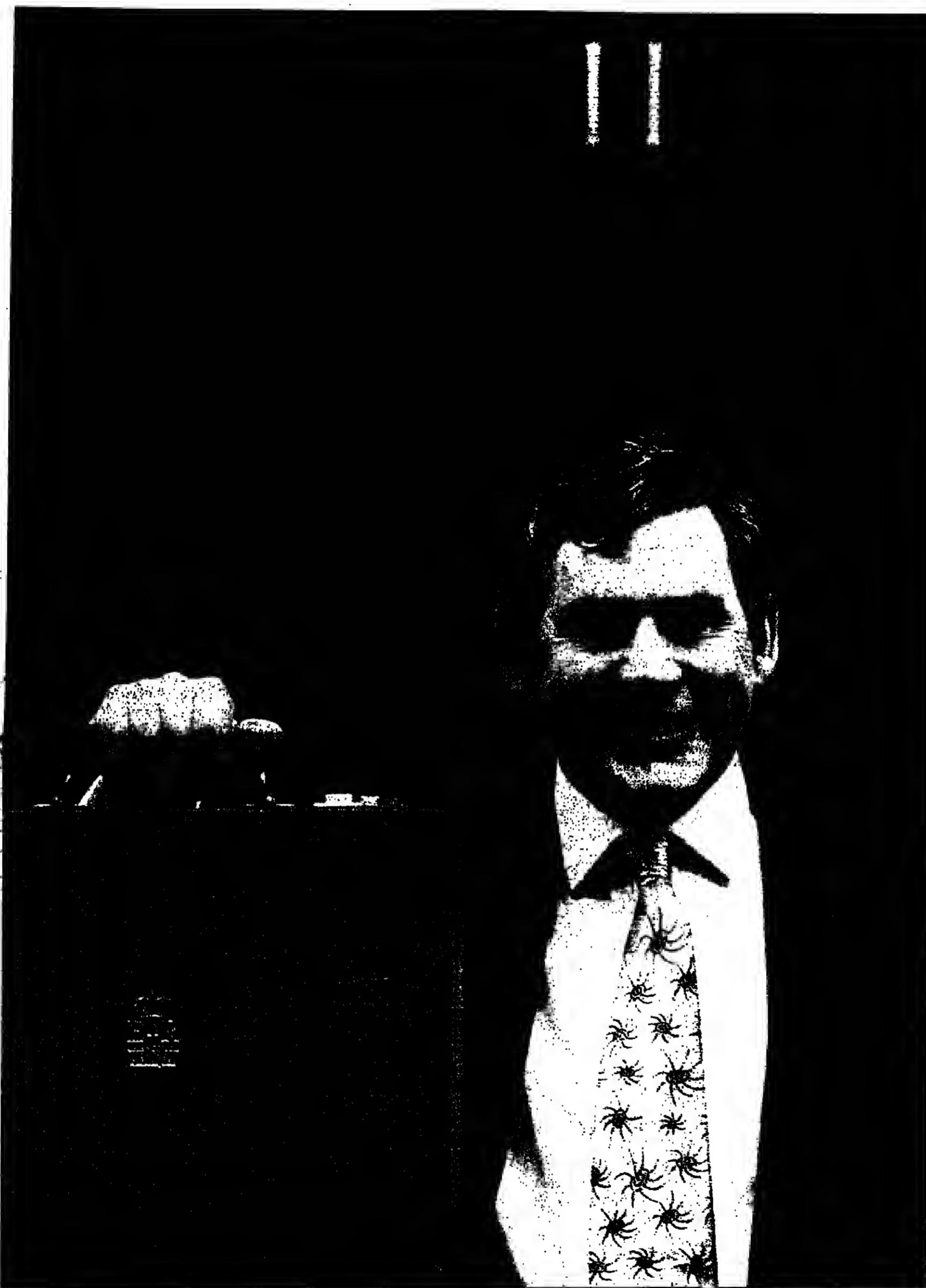


THE INDEPENDENT

10 March 1999

# BUDGET REVIEW

IN ASSOCIATION WITH ARTHUR ANDERSEN



DAVID ROSE

**24 PAGES OF NEWS, COMMENT AND ANALYSIS  
INCLUDING INVESTMENT**

When I asked my accountant if anything could get me out of the mess I am in now, he thought for a long time. 'Yes,' he said, 'death would help.'

Robert Morley

We'll find you a tax solution you can live with

It's not surprising that leading companies turn to the Arthur Andersen tax practice for innovative solutions. Whether you have a new need as a result of the Budget or you'd like fresh ideas for old problems, we have the people and the technical resource to deliver a solution for you.

ARTHUR  
ANDERSEN

Arthur Andersen is authorized by the Institute of Chartered Accountants in England and Wales to carry on investment business.

**SUMMARY****Income tax**

A new 10p starting rate of tax on the first £1,500 of taxable income will be introduced from next month. The basic rate of tax is also being cut from 23p to 22p from April 2000. Tax thresholds will be increased in line with inflation. There will also be reform of national insurance aimed at the lower paid and the self-employed designed to take 900,000 people out of NICs altogether. *This page*

**Families and pensioners**

The married couple's tax allowance is being scrapped and replaced by a children's tax credit from April 2001 worth up to £416 a year. From April 2000, child benefit will be increased to £15 a week for the first child and £10 for the second child. Parents will be entitled to three months unpaid leave for each child from this December and all mothers will be entitled to 18 weeks' maternity leave. A £100 package for pensioners includes an increased £100 winter fuel allowance, increased tax breaks and minimum income guarantees. *Pages 3 and 7*

**Consumer protection**

The Deputy Prime Minister, John Prescott, is to investigate whether there is sufficient competition in the airport and water industries. The Financial Services Authority will publish league tables of the charges levied on savings, insurance and pension products and building societies will have to publish price information on mortgages. The Office of Fair Trading's budget will rise by 20 per cent and political influence over merger decisions will be reduced. Inheritance tax and capital gains tax thresholds will rise and there will be a review of charity taxation. *Page 6*

**Green measures**

A new energy tax on business will be introduced from April 2001 designed to cut greenhouse gas emissions. There will also be a 25% reduction in road tax for cars with the smallest engines, tax perks to encourage "green commuting" by bus and bicycle and an increase in landfill tax. From April 2002, company car tax will be linked to the car's carbon dioxide emissions. *Page 9*

**Fuel, smoking, alcohol, gambling**

Fuel taxes are increasing by more than the rate of inflation, increasing the price of unleaded petrol by 3.8p a litre and diesel by 6.4p. The price of a packet of 20 cigarettes will rise by 17.5p and 25g of pipe tobacco by 9.5p but there will be no increase in duty on wine, beer or spirits. The Chancellor also announced new measures to clamp down on smuggling. The tax on pools betting is being cut to 17.5 per cent. *Page 8*

**Home and work**

Mortgage interest tax relief (Miras), worth an average of £2.50 a week, is to be abolished from April 2000 while stamp duty on the sale of properties worth more than £250,000 is to increase by half a per cent. Employees are to be allowed to buy up to £1,500 worth of shares a year in their own company from pre-tax income, matched by up to £3,000 worth of free shares from their employer. The New Deal programme will be extended to over-50s with a scheme to get them back into work with a guaranteed £60-a-week payment. *Page 4 and 5*

**The Information Age**

The Government is launching a £1.7bn initiative to make computers available to all. A thousand computing learning centres will be created in schools, libraries and Internet cafés. 32,000 schools will be connected to the Net and 370,000 teachers computer-trained. Individual learning accounts will be extended to computer training and employees will be able to use company computers at home as a tax-free perk. *Page 4*

**Boost for enterprise**

High-tech start-up ventures will be allowed to give top managers £100,000 in share options under the enterprise management incentive scheme. There will be new research and development tax credits for small businesses, increased support for high-tech venture capital funds and increased science funding for universities. The main corporation tax rate is cut to 30 per cent, the smaller companies rate falls to 20 per cent and there is a new 10p starting rate for the smallest firms. *Page 17*

**Health and education**

There will be an extra £1.1bn for schools and hospitals through the capital modernisation fund, more money for Scotland, Northern Ireland and Wales and an additional £170m for crime prevention. *Page 15*

**The Budget arithmetic**

The Chancellor is forecasting that inflation will remain on target at 2.5 per cent in each of the next three years while the budget surplus is forecast to total £34bn over the next five years. Debt as a proportion of national income is projected to fall to 37 per cent in 2001-2002. *Page 16*

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# 10p in the pound starting rate is lowest for 37 years

**INCOME TAX**

THE CHANCELLOR Gordon Brown yesterday confirmed the introduction of a 10p starting rate of tax to take effect almost immediately, as part of a three-year package of tax and national insurance (NI) reforms aimed at spreading the tax burden from poorer to better-off people.

In a measure which experts described as "redistributive" and "ticking up to his Robin Hood image", Mr Brown also announced that the 10p rate, the lowest band for 35 years, will apply from 6 April on the first £1,500 slice of taxable income above the personal allowance.

In the dying speech of his Budget speech, Mr Brown also pledged that the Government would reduce the next tax level from 23 per cent to 22 per cent - the lowest for 70 years - in April next year.

The 10p rate announced yesterday will replace £1,500 of the former 20 per cent rate, which is being completely scrapped. The 20 per cent rate covered the first £2,500 of taxable income, after allowances. However, scrapping the 20 per cent rate means the 23 per cent tax slice (22 per cent in 12 months) is extended downwards.

At the same time, the Chancellor announced that from April next year, employees who are not contracted out of the state

top-up pensions scheme, Serps, will see their NI contributions harmonised with the tax regime and raised in two tranches.

The net effect, according to calculations by pay and employment benefits firm Arthur Andersen last night, will be that, taking both NI contributions and tax into account, a single person earning £5,000 a year will be £142.88 better off from April.

The net gain remains at roughly that level until £25,000, rising to £22.83 better off on salaries above £25 and beyond.

A married person earning £10,000 a year, and whose married couple's tax allowance is being abolished, will see a net monthly increase in salary of £7.26, rising to £15.50 on earnings above £25,000.

Mr Brown told MPs: "The tax reforms of this Budget provide

a better deal for the hard-working majority - a ladder of opportunity for those who want to work their way up, a chance to keep more of what they earn and, for all, a fundamental guarantee that work will pay."

John Whiting, a tax partner at PricewaterhouseCoopers, the accountancy firm, said: "He is being quite clever in the way he disposes of his tax resources. They are clearly being concentrated to help lower-paid people, but without hitting higher in-

come-earners too hard. It is quite transparent. The good thing is that it is being concentrated on low earners. I suppose he is keen to live up to his Robin Hood chancellor image."

As part of the package of tax changes, the Chancellor yesterday announced that the personal tax allowance will be raised by £10 in 1999/2000, to £4,335. For people aged 65 to 74, the additional allowance rises by £10 to £5,720 before tax is payable, and a further £10 to £5,980 for those over the age of 75.

The 23 per cent tax rate, which currently applies on taxable earnings between £4,301 and £27,100, is being extended downwards.

The higher tax bracket of 40 per cent will now begin to apply to earnings above £28,000, allowances after, or £22,335 before the single person's allowance.

Mike Warburton, a senior tax partner at Grant Thornton, the chartered accountants, said: "Bringing the 10 per cent tax band forward to April this year was quite a surprise. I can foresee problems in implementing it. Generally the Revenue prefers a lead-in time of a year so that it can get its systems in

working order. What is also not clear is what happens to people with savings as a result of this change. In the past, anyone on a 20 or 23 per cent tax rate paid no extra income tax on bank or building society deposits. It is not clear whether they will now pay 20 or 23 per cent."

Graham Duckett, a partner at Millfield Partnership, a firm of independent financial advisers, added that there was also a possibility that income-earners on the new 10 per cent tax rate might still have to pay 20 per cent, or even 23 per cent, income tax on their bank or society savings.

The Chancellor's announcement in the area of NI was seen by experts yesterday as part of the gradual process of harmonising the NI contribution levy with ordinary income tax.

At present, employees paying so-called class 1 contributions face an NI bill of 2 per cent on the first £54 of their weekly income as soon as it reaches that level. Thereafter, NI contribution levels rise to 10 per cent on incomes between £54 and £485 a week. Mr Brown is proposing to alter the system from April, by raising the weekly level on which NI is payable to £66.

Mike Warburton, at Grant Thornton, said yesterday that

there will be no 2 per cent on earnings up to that amount.

"I am abolishing the perverse 'tax on work', the pay fee every employee has to pay simply to be part of the national insurance system. From this tax cut on work worth over £1,400 a year, every one of 20 million employees, will gain £60," the Chancellor told MPs yesterday.

Meanwhile, the upper limit on which NI is payable will rise to £500 a week.

In April 2000, the earnings point above which employees pay NI contributions will be raised by £1 per week over two years - from £56 in April 1999 to £76 in April 2000 and then to £87 - the level of the single person's tax allowance - in April 2001.

At the same time, the upper earnings limit, the point above which employees stop paying NI contributions, will be raised by £30 per week to £535 from April 2000 and then by £5 per week between £145 and £500 per week to 7 per cent.

Mr Brown said: "Our reforms in national insurance will give employers an overall tax cut of £1.5bn and employees an overall tax cut on work of £2.5bn - an average of £130 per year per employee."

Mr Warburton, at Grant Thornton, said yesterday that

the net effect of the reforms for most NI contributors would be positive. He added, however, that for someone earning more than £575 a week, the weekly NI burden would rise from £23.28 at present to £43 a week in April 2001, or about £20 a month.

"[The Chancellor] does appear to be in control. This Government has always wanted to harmonise the effect of NI and income tax. He appears to be moving towards that goal. He has also concentrated his fire-power at the lower end of NI."

For the self-employed, Mr Brown said flat-rate NI contributions of £6.55 per week once earnings exceed £22.50 would be cut to £2 a week.

However, in a move aimed at stamping out the growth of so-called "slavie companies", set up by self-employed IT workers to cut their NI bills, the Chancellor said the tax will be raised from 6 per cent on profits between £145 and £500 per week to 7 per cent.

At the same time, the lower earnings limit on which NI is payable will be cut to £56 per week and the upper limit, raised to £535 and then to £575 by 2001. The effect will be to raise the maximum rate of NI payable from £21.30 to £34.30 a week.

NIC CIGARETTE  
Personal Finance Editor

**CASE STUDY: THE LOW-PAY FAMILY**

## 'Life will still be a struggle for us'

**John Goodwin, 35, and his wife, Jude, 31, from Manchester. Mr Goodwin is a student teacher, having changed careers. Mrs Goodwin does not work. The couple have two children, Freya, five, and Max, two. His annual student grant is £3,900 plus a student loan of £2,700. They receive £20.75 a week in child benefit. They have outgoings of around £440 a month.**

**BEFORE YESTERDAY** the Goodwins and their children were living off little more than £150 a week. This morning they will still be struggling, having been helped only marginally by a Budget they believe was designed for the better-off.

"There were no great surprises. I think it was the kind of mid-term Budget you might have expected," said Mr Goodwin, who is training to be a Higher Education teacher. "It seems to exist in a vacuum that never really gets addressed."

Mr Goodwin, who has two degrees - an MA and a BA in art - and used to work part-time in an art gallery, returned to college to try to improve his job opportunities. The family survive from his mature student's grant of £3,900, a student loan of £2,700 and child benefit of £20.75 a week. They have no savings and survive through an overdraft and "slimming around the bank-managers".

The only changes to their income will be the reduction of



John and Jude Goodwin, with their children Freya and Max, believe it is a Budget without any philosophy behind it

Martin Rickett

£50 on their annual car licence fee and the pre-announced increase in universal child benefit from April to £14.40 for the eldest child and £9.60 for subsequent children. (The figures are currently

£11.45 and £9.30 respectively.)

"It has not been a budget that involves any philosophy," said Mr Goodwin. "It does not address the issue of whether lone parents should be forced to take a job no matter what

sort of job, rather than deciding it is a worthwhile task to bring up children."

"Living how we do and where we do, it is so easy to see what happens if you ignore a generation."

Mr Goodwin said the Budget had not addressed public transport. "The other night I was at the bus stop waiting for the 7pm bus. I was there an hour and the bus never showed up and I had walk

home in the rain. It is ridiculous that in a metropolis like this there is not adequate public transport to make what should be a 10 minute journey across the city."

ANDREW BUNCOMBE

# Families gain but not the very poorest

**WINNERS AND LOSERS**

ly with children would get more support under the new system - ranging from £7.80 per annum to £2,000 per annum.

The dual income family, for example, will see net income rise to £25,716 next year from £25,604 in 1999. And although they will benefit from the 22p tax rate in subsequent years, they will also face higher NI contributions.

Those earning at or around the national average, such as the "recent graduate" in the chart, will see net income - after tax, national insurance, rent and fuel bills - go up from £7,265 in this financial year to £7,440 next year. The cut in the basic rate of income tax from April 2000 will push up net income further in

years to come. Revenue-raising moves elsewhere - particularly the increased ceiling on National Insurance contributions - mean that those on lower incomes will benefit most from yesterday's income-tax cuts.

Gordon Barnes of the Child Poverty Action Group said: "The increase in child benefit and the child's tax credit represent an important recognition of the need to support families with children."

Others, however, noted that the Chancellor's moves could be of no help at all to those families who did not work. The Women's Budget Group said: "The Budget speech appeared to say nothing about women with dependent children who

are at the lowest incomes. The child benefit increases will be cut from their means-tested benefit receipts. If this is so, then the poorest families of all will not be any better off as a result of the Budget."

Top-rate tax payers will be relieved the Chancellor has backed away from plans to tax child benefit, following wide criticism in political and media circles. However, his decision to taper the new tax credit means that here, too, lower income groups fare better than middle-income earners.

The elderly can also include themselves among the win-

ners. The increases in the winter allowance, the minimum income guarantee and their personal tax allowance all add up to a significant improvement in the finances of many of Britain's pensioners.

Those over 50 and out of work will also find the outlook little brighter after yesterday's Budget. For those unemployed for six months or more, a new employment credit will guarantee a minimum income of £9,000 for their first year back at work.

Losers include married couples without children who will see their married couple's allowance - currently worth £190 - disappear in April 2000, although pensioners will be ex-

empted. Homeowners have also been hit following the scrapping of mortgage interest relief, which is to go in the financial year after next.

Smokers and drivers are generally the perennial Budget losers, and this year is no exception with both tobacco and petrol duties up again. Drivers of company cars will be particularly hard hit under the proposals outlined by Mr Brown.

Drinkers, however, have managed to get away scot-free. To the surprise of many, the Chancellor has promised that there will be no increase in duty on wine, spirits and beer this side of the millennium.

LEA PATERSON

BENEFITS

ting ears

# Politically, it sounds good. But will it work?

TO be a Chancellor with a budget surplus, for suddenly Christmas has come. It is wonderful, is it not, how the dynamics change. Instead of having to explain why tax rates need to go up or cuts have to be imposed on hard-pressed public services, we just dribble on the good news: a bit of money here, a tax cut there, all phrased in the idea of "helping" people. Politically, it sounds terrific. Will it really work?

Apply three tests. Are the assumptions credible? Will the additional spending deliver value for our money? Is the fine-tuning of the tax system well-targeted?

The starting point is the Chancellor's economic forecast: the surprises are the result of things the series of small tax increases imposed (usually with a delay) over the past five years, and the long boom. The tax increases continue, but will the boom?

The Chancellor says that after the briefest pause this year it will 1.15 per cent this year (against a con-

sensus forecast of around 0.8 per cent, 2.25-2.75 per cent next year, and 2.75-3.25 per cent in 2001. Can this be right?

Well, it is perfectly possible that the consensus will be wrong and the Treasury right – such aberrations have been known to happen. My own instinct is that this year growth may indeed turn out above 1 per cent, but there may be much more of a problem next year. As for growth around 3 per cent in 2001 – that only happens if most things in the world economy turn out toward the better end of the possible scale. In short, the growth assumptions are at the top end of the likely range of outcomes. They are not impossible to achieve, but they are not the most likely outcome.

So the Chancellor is taking a medium-sized risk on growth. He is also taking a smaller risk on inflation. Assume that the 2.5 per cent target is met, for that is not the problem. The problem is that the 2.5 per cent target itself may look high by

international standards as price destruction sweeps across the world. True, our method of calculating inflation produces a higher figure than that used by the other European Union nations, but even allowing for that, 2.5 per cent is high by developed country standards. These are not forecasts designed to push UK interest rates down to Eurozone levels.

In short, the Budget projections carry risks. Given the awkward way economic reality tends to depart from comfortable expectations, beware of the rosy glow surrounding his forecasts.

The next test is whether the additional spending will deliver value?

We cannot know. The Chancellor's device is to make lots of noise, announce lots of tiny initiatives, devise lots of cutely-named schemes. We can see the input, but we cannot see the output. The omens are not brilliant. No-one should doubt the commitment of Gordon Brown to try to boost enterprise, but surely all past

experience shows that governments boost enterprise by cutting regulation rather than introducing very complicated new spending schemes.

The Government's initiative on the millennium bug problem bodes ill. It lost a year by sacking the original advisers and delaying in appointing new ones, then launched a help programme which small business finds useless.

The additional funds given to mainline government departments may indeed improve their perfor-

mance – they certainly ought to – but we should judge by measures of the quality of output, not input. And the additional funds for "enterprise"? Well, the best that can be said is that they may offset to some extent the administrative burdens loaded onto small and medium-sized businesses since the election.

Test three is whether the rebalancing of the tax system encourages people to do the things that are helpful to society and discourages them from doing the things that harm society. For example, has been done enough to reduce the very high marginal rates of tax as people move from welfare into jobs? That is perhaps the single most damaging aspect of UK income taxation.

The aims here are completely laudable. It makes great sense to shift funds from home-buyers by ending mortgage interest relief at source (MIRAS) and move it towards the low-paid. It makes sense to take so many pensioners out of the income tax system. It makes sense to

take a slightly larger cut on stamp duty on expensive homes. It makes some sense to increase fuel duty – though when talking about the fact that British consumers were hard done by the Chancellor did not stress that Britain has the most expensive motor fuel in Europe. Paying too much for petrol and diesel probably worries more people than paying too much for computers.

In balance, Mr Brown is probably making incremental improvements to a tax system that is already, by world standards, benign. If there is a reservation, it is that these improvements, at least as far as companies are concerned, seem to be at the cost of some additional complexity. All chancellors have a desire to fiddle with the system; this one suffers from it as much as most.

How will this Budget be viewed in history? You could almost say that given the penny of the basic rate for 2000, it will be Mr Brown's shot for Labour at the next election. The good news, not just for this year but

also for 2000, is in the pot. Sure, there will be some fine-tuning next year but given the lag between a policy being announced and taking effect, we are really being given a budget in which we should judge not only the Chancellor but also the Government.

If the good times continue to roll, and these modest tax cuts and modest public spending increases can be unwrapped year after year, then we will all say thanks to Santa. And if growth is indeed 3 per cent in 2001, then the Government can expect to be popular indeed. But are there not too many "ifs" here?

Apply the tests. Are the economic assumptions credible? Not really. Will additional spending bring better value for money? Fingers crossed. Is the tax system being improved? On balance, yes.

That is not a bad score; in fact it is quite a good one. But if test number one fails and the economy slows seriously next year, then yesterday's warm glow will quickly fade.



HAMISH MCRAE

# Middle class loses out as children gain

## FAMILY TAX REFORM

A NEW children's tax credit was the centre-piece for the Chancellor's "Budget for families and children" but it will mean middle class couples will lose out.

Mr Brown announced a new children's tax credit worth £416 a year off the tax bill from April 2001. But he is scrapping the married couple's allowance a year earlier from April 2000 and Mortgage Interest Relief at Source (MIRAS) is also being abolished.

The new children's tax credit will be tapered away from families where one or both partners are on higher earnings and paying the higher rate of income tax.

As predicted by *The Independent*, child benefit escaped taxation in this Budget in spite of Gordon Brown's hint last year that it might not. The Chancellor did not rule out taxing the benefit in future, but the reforms make it less likely because they will enable him to target money to the lower income families through the new children's tax credit.

The Tories accused Mr Brown of imposing "stealth taxes" on Middle England, and even some Labour MPs privately conceded that the Chancellor had given to the poor with one hand but had taken away from the wealthier couples with the other.

"The children's tax credit is a very clever way of getting round the problem of taxing child benefit, which would have been very difficult technically," said a ministerial source.

Scraping mortgage tax relief and the married couples allowance will hit those on higher incomes the hardest.

There were anxieties before the Budget from Tony Blair about the middle classes being hit too hard by the changes, and in the speech to Parliament Mr Brown stressed: "Every child in the country in every family will get more – out less – support under this system."

But Alistair Darling, the Social Security Secretary, made no bones about the intention to provide more aid for families on lower incomes. A press release by his department was headlined: "Budget boost to help young children in low income families."

The main points of the package, said Mr Darling, were aimed at tackling child poverty. These included an above-inflation increase in child benefit which will be payable to all families.

Child benefit rises to £14.40 per week next month for the eldest child and to £9.60 per week for subsequent children.

The Chancellor announced that, from April 2001 the rates will be at least £15 for the first child and £10 for subsequent children.

The new child tax credit will go to around five million families.

Maternity Allowance will be extended to all women expecting a baby on or after 20 August 2000 who are earning £30 a week or more, helping 14,000 extra mothers per year.

In addition, there are 20 per cent increases in the rates of benefit payable in income-related benefits for children under 11. From April 2000 the poorest families with a child under 11 will receive nearly £5 a week more.

The Chancellor, who is married, also anticipated an attack by the Tories along the lines that the Government is undermining marriage by scrapping married couples allowance.

"What is today called the married couple's allowance is in fact neither restricted to marriage, nor restricted to couples, nor is it strictly an allowance," he said.

"It is in fact a tax credit paid at the same flat rate to married couples, single parents and unmarried parents living together. Far from recognising marriage it is now so confused

that it can even be paid at twice the rate in the year of separation or divorce."

"A married couple's allowance that can pay more for separation or divorce cannot be said to uphold the institution of marriage," Mr Brown commented.

The Chancellor said that with the children's tax credit added to child benefit, families who were receiving £11 a week in 1997 for their first child will in future be receiving £23 a week.

"Taking all our reforms together the maximum support for the first child will be £40 a week, or £2,000 a year for families when they need it most," he said to Labour cheers.

Mr Brown said he had also considered the case for a transferable tax allowance for mothers who stay at home. "The better deal for mothers who stay at home is what we are doing from October this year – the working families tax credit," he said.

A family with two children on £15,000 a year where the mother stays at home would have received nothing under the old system of family credit.

Transferable tax allowances would give them £997, but the Chancellor said that under the working families tax credit they would receive £1,460.

Mr Brown said his Budget would help build a fairer society by increasing support for families with children. He estimated that the overall effects on children would be that families with children with a full-time earner would be guaranteed a minimum income of £200 a week.

A one-earner couple with two children on average earnings of £20,000 will be £460 a year better off. Their tax burden will fall below 20 per cent for the first time since 1979 and will be at its lowest level since 1972.

COLIN BROWN  
Chief Political Correspondent

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COLIN BROWN  
Chief Political Correspondent

Ivan Whitestall, 35, and his wife Amanda, also 35, from Whitley Bay, Tyneside. Mr Whitestall is a market inspector earning £20,000. Mrs Whitestall is a bank clerk, earning £6,000. She has £500 in a company savings plan.

They have two young children, Emma, seven, and Richard, two. Outgoings include £360 a month mortgage, £150 for childcare and £170 a month car loan.

IT WAS a Budget full of mixed news for Ivan and Amanda Whitestall, who have two young children.

Mrs Whitestall said she was disappointed that mortgage interest relief at source was being withdrawn.

"It's worth about £18 a month to us. At least we'll have time to get used to it as it's not going until next year."

The family will gain £416 from child tax credit when it

is introduced in 2001 but they will lose their married couples allowance which is worth about £280 a year.

"The money is just being taken from one place and put in another," said Mrs Whitestall.

The family said they were not very impressed by the increased child benefit.

"It's just a couple of pounds really," said Mrs Whitestall who has a seven-year-old

daughter, Emma, and two-year-old son, Richard.

Because the family, from Whitley Bay, Tyneside, have an average-sized family car, their road tax will increase by £5 a year. They will also be affected by the increased price of petrol.

Mrs Whitestall, who works part-time in a bank, said she was pleased about the new all-employee share scheme which will mean that she can

buy shares out of her pre-tax income.

If she can hold on to the shares for the long term, she will be able to get tax-free gains.

Mrs Whitestall added: "I don't think I'll be much better off but I don't think I'll be much worse off really."

"We're still trying to work out exactly where we will stand."

LINUS GREGORIADIS

## 'It's worth little more than a couple of pounds for us'

Ivan and Amanda Whitestall with their children Emma and Richard

North News & Pictures

### Not the readers of PC Pro.

"This year, like last year, one company eclipsed the competition. Trailblazing to the top of both the support and service categories by a wide margin ... only one ISP managed to achieve an overall score above eight. For the second year running, the clear winner is Netcom" (PC Pro March 1999).

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# 'Computers for all' in £500m plan

## INFORMATION TECHNOLOGY

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LAPTOPS WILL be loaned as if they were library books and up to 20,000 teachers will be given computers in the Government's "knowledge revolution", the Chancellor, Gordon Brown, announced yesterday. An extra £500 million will also be made available as part of a "computers-for-all" scheme.

"Our target is a national network of 1,000 computer learning centres, one for every community in Britain," he said. "They will be in schools, colleges, libraries, in Internet cafés and on the high street."

Partnerships between local authorities, colleges and employers will mean that computers and software can be lent in the new century "in the way local libraries have loaned books in the last century."

An extra £20 million will be made available to provide laptops for about 20,000 teachers to use at home.

The Government will also introduce legislation so that employees will be able to borrow computers from their companies as a tax-free benefit.

Mr Brown said: "Those who were left out of the knowledge revolution will be left behind in

the new knowledge economy. The more individual talent we nurture, the more economic growth we will achieve."

Within three years, 32,000 schools will be connected to the Internet and 370,000 teachers trained to use computers. Inner-city schools will share £100 million to go towards improved technology.

Adults will be encouraged to brush up on basic skills and on computer literacy. They will receive discounts on course fees if they invest in "individual learning accounts" – savings accounts designed to help them pay course fees. This year, one million people will receive £150 each for these accounts.

Those who sign up for basic education courses will receive an 80-per-cent discount on their fees, and employers will get tax breaks if they invest in the accounts. Employees will pay no tax on the accounts.

This will be funded by phasing out vocational tax relief, which has been subsidising non-vocational courses.

Doug McAvoy, general secretary of the National Union of Teachers, warmly welcomed yesterday's announcement: "The entire package will be welcomed by teachers. They are to be given the modern-day tools of the trade, with the training to make maximum use of them," he said.

Alan Tuckett, director of the National Institute for Adult Continuing Education and a senior advisor to the Government on adult education,

praised plans to lend laptops as "very imaginative thinking".

He said: "Lending computers means that it is not just access to wealth that controls access to education. That's very important. At first sight it's very creative move."

But some computer experts warned that technology was not a panacea for raising school standards. René Moolenaar,

managing director of Anglia Campus, a leading provider of Internet services for schools, said: "The Government needs to ensure that the vast resources it has now committed to improving teachers' IT skills are not wasted."

"The Budget appears to be very hardware driven. People often forget that a computer is like a CD player – useless without

out software. To ensure that this provision contributes to the development of the National Grid for Learning, what really matters are the software and Internet packages."

John Field, professor of lifelong learning at Warwick University, said that technology was vital to make sure initiatives such as the University for Industry (a government initia-

tive set up to increase training in the workplace) were effective.

"One of the problems of policies designed to make folk take up technology is that it is really strange to them," he said.

"If you allow them to borrow a computer from the local library or walk into a community centre and try one out, they are more likely to use it." He

said that tax incentives to promote learning accounts were vital to improve their take-up.

The accounts have been hailed as the best way of funding a revolution in adult education and training, but Professor Field warned that pilots had shown people were unwilling to invest.

JUDITH JUDY AND

BEN RUSSELL



Pupils using computers at Andenshaw Comprehensive School, Manchester. Twenty thousand teachers are to get laptops. William Griffiths

## Grants will help put 'lost generation' back to work

### NEW DEAL

THE GOVERNMENT reinforced its flagship Welfare to Work strategy with three new initiatives aimed at the over 50s, the under 25s and lone parents.

The Chancellor decided to employ a "carrot" approach to the over 50s and single parents, but will try out a "stick" approach for some young people.

Under the proposals, unemployed people over the age of 50

now be eligible for the New Deal unemployment scheme after just six months out of work rather than the two years.

They will receive £50 a week "employment credit" for a year while they are on the programme.

Andrew Smith, employment minister, said the measures would be a big help to those over 50 who have been unem-

ployed and "despaired of finding work again".

The Department announced a £1m pilot scheme to beef up the "Gateway" process for young people joining New Deal.

The DfEE argued that some young people would gain from a more intensive induction on

the programme aimed at injecting greater "pace and purpose" in their job-seeking activities.

The pilots would introduce a tougher attitude to those who enter the final month of the four-month Gateway process, reinforcing the message that

they would have to take one of four options and that there was no "fifth option" of continuing on full benefits.

Mr Smith welcomed the proposal that lone parents entering work should be able to benefit from a two-week run of income support in order to help ease them through the transition period.

He said it would represent a

big boost to what could be offered on the New Deal for Lone Parents.

Workers will also be able to boost their qualifications under new Individual Learning Accounts aimed at encouraging people to take responsibility for their own training.

John Monks, TUC general secretary, welcomed the jobs package for older workers. He

said it went "some way to strengthening the New Deal".

"However, many of the problems encountered by older people are directly attributed to the long term decline in manufacturing, so the Government needs to take urgent action to stem the current escalation of job losses in this sector."

BARRETT CLEMENT  
Labour Editor

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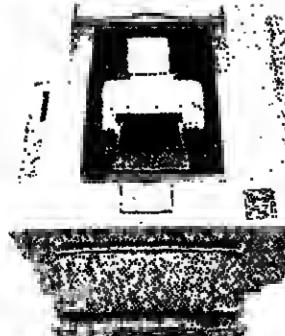
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### SOCIAL SECURITY BENEFITS FROM APRIL 1999

	Rates weekly unless otherwise indicated. All figures £		1998/9	1999/00
<b>ATTENDANCE ALLOWANCE</b>				
Higher rate	51.30	52.95		
Lower rate	34.30	35.40		
			30.30	30.95
			35.85	36.70
			50.35	51.40
			50.35	51.40
<b>CHILD BENEFIT</b>				
Elder or eldest qualifying child (couple)	11.45	14.40		
(one parent)	17.10	17.10		
Each subsequent child	9.30	9.60		
Special allowance	11.30	11.35		
			12.10	12.10
			17.30	17.30
			20.10	20.10
			25.35	25.35
			30.30	30.30
<b>COUNCIL TAX BENEFIT</b>				
personal allowances	39.85	40.70		
Single, 18-24	39.85	40.70		
Single, 25 plus	50.35	51.40		
Lone parent, 18 plus	50.35	51.40		
Couple, one or both over 18	79.00	80.65		
Dependent children				
under 12	17.30	20.20		
12-16	25.35	25.90		
16-19	30.30	30.95		
			57.50	58.40
			64.00	65.10
			11.05	11.30
			15.75	15.90
			20.10	20.20
			23.20	23.40
			30.35	30.50
			22.35	22.50
			27.20	28.00
			33.55	33.70
			38.90	40.00
			21.45	21.50
			30.60	31.20
			38.50	39.75
			38.50	39.75
			21.45	21.50
			13.65	13.75
<b>DISABILITY LIVING ALLOWANCE</b>				
Care component	51.30	52.95		
Highest	34.30	35.40		
Lowest	13.60	14.05		
Mobility component	35.85	37.00		
Higher	13.60	14.05		
Lower	13.60	14.05		
<b>EARNINGS RULES</b>				
Invalid care allowance	50.00	50.00		
Therapeutic earnings limit	48.00	58.00		
Industrial Injuries earnings	2496.00	3016.00		
level (pa)				
War pensioner's earnings	2496.00	3016.00		
level (pa)				
<b>FAMILY CREDIT</b>				
Adult credit	48.80	49.80		
Child credit	12.35	15.15		
Under 11	20.45	20.90		
11-15	25.40	25.95		
16-17				
<b>HOUSING BENEFIT</b>				
personal allowances	39.85	40.70		
Single, 16-24	50.35	51.40		
Lone parent under 18	39.85	40.70		
18 plus	50.35	51.40		
Couple both under 18	60.10	61.35		
One or both over 18	79.00	80.65		
Dependent children				
under 12	17.30	20.20		
12-16	25.35	25.90		
16-19	30.30	30.95		
<b>INCAPACITY BENEFIT</b>				
Long-term	64.70	66.75		
Short-term				

## HOUSING

# Tax relief on mortgages is finally ended

**TAX RELIEF** on mortgage interest will finally be abolished from 6 April next year. An estimated 11m loans and 15m borrowers will be affected, the Inland Revenue said yesterday.

If interest rates remained at current levels the cost of mortgages of more than £30,000 will increase by £17.37 a month to £2,160 on an interest-only loan at the Halifax's current standard variable interest rate of 6.55 per cent. On a three year fixed rate loan at 5.65 per cent the payments will rise by just £14.12 to £232.50 a month.

The additional cost has already been more than offset by the fall in interest charges, which in the last six months have reduced payments on the average mortgage by around £75 a month.

Mortgage professionals generally welcomed the changes and played down the impact on borrowers. "Homeowners should not think about what they will have to cut down on but on how they can use the savings from falling mortgage rates to make their future more secure," Gareth Hoskin, director of housing markets at Legal & General said.

Hugh Jory, a partner at independent advisers Millfield said he was surprised the Chancellor had decided to go for abolition rather than a further reduction in the benefit but the change would simplify the job of explaining mortgage offers to clients.

The impact will however be felt much more heavily in Northern England, the Midlands, Wales and Scotland, where housing markets remain relatively depressed, the average house still costs under £50,000 and tax relief is rela-

tively more useful. "This will hit people with smaller mortgages the hardest. An extra £17.25 means little to somebody who can afford a £150,000 mortgage but it's quite another matter for somebody with a £30,000 or £40,000 loan," Paul Knight, general manager of the Cheshire Building Society said last night.

The Council of Mortgage Lenders also said the decision was unfortunate. "It is the equivalent of an 0.35 per cent increase in mortgage rates for the typical new borrowers in the UK," a spokesman said.

But David Fotheringham, policy manager at the Chartered Institute of Housing welcomed the abolition of a subsidy to owner-occupiers and the publication of a Housing Policy Green Paper later this year, which he hoped would target support at low-income home-buyers similar to support already given to tenants. Phil Jenks, head of mortgages at the Halifax also hoped that the Green Paper would give something back to low-cost housing ownership including housing associations.

At the other end of the scale stamp duty has been increased from 2 per cent to 2.5 per cent on properties worth £250,000 to £500,000 and from 3 per cent to 3.5 per cent on properties over that level, payable on the entire purchase price, which raises the duty payable on a £200,000 house to £7,500. Up to 50,000 transactions a year will be affected, mainly in London and Southeast England.

The abolition of tax relief on mortgage interest marks the end of an era. It was deliberately introduced by successive post-war governments as a way of encouraging families to buy a natural plateau.

CLIFFORD GERMAN

their own homes, reducing the cost of borrowing by about a third during the Sixties and Seventies.

But it has been widely

blamed by academic economists and experts in the Bank of England for artificially inflating the value of property, creating a reservoir of unearned capital against which homeowners could borrow to finance consumer spending and stoking up inflationary pressures in the economy.

As long ago as 1974 tax relief on interest payments was limited to mortgage loans of up to £25,000, which was still a considerable sum when the average home cost £11,500 and the average mortgage was £2,500.

At the insistence of then prime minister Margaret Thatcher the ceiling was increased to £30,000 in 1983 when the average house price had risen to £29,500 and the average loan was £18,000, and tax relief continued to be available to each individual borrower until 1988.

In March 1988 the then Chancellor Nigel Lawson announced that it would be restricted to one borrower for each property from August that year, triggering a last-minute rush to buy which aggravated a boom in property prices.

Total abolition will bring the Chancellor in only £1.4bn in the 2000-01 tax year, and cost borrowers a maximum of around £200 a year.

Policy experts recognise that the concession has largely done its job. The proportion of owner-occupiers rose steadily from 55 per cent in 1980 to 65 per cent in 1990 but has since barely increased, and may have reached a natural plateau.

MARK AND Jane Yeandle would admit to being com-

fortably off. Between them their annual income exceeds £60,000 and both have good jobs in marketing. Since the birth of their son Freddie seven months ago Mrs Yeandle - who uses her maiden name Hagell - only works three days a week.

Yesterday's Budget is likely

to leave the Yeandles better off. "I have not worked out all the details, but compared to other recent budgets this seems to be pretty good," said Mr Yeandle.

While the couple will lose a certain amount of money as a result of the scrapping of the married person's allowance, he believes this should be compensated for by the increase in universal child benefit and the introduction of the working families tax credit.

The couple share four to five bottles of wine a week, so they were pleased to note there was no increase in duty. Mr Yeandle was also pleased to see that the reduction of car licence fees for vehicles with engines smaller than 1.100 cc will apply to his wife's car. Mr Yeandle will also benefit by £80

from the dropping of taxation on mobile phones provided by companies.

Mr Yeandle was worried about the plans to penalise company car drivers. Gordon Brown said he was trying to encourage the use of fuel-efficient cars - a reform that will cost the typical company car user, such as Mr Yeandle, about £1 a week.

To cut pollution, employees will from this year be able to get tax-free benefits from employer-run or employer-subsidised buses, car-share schemes and other environ-

mentally-friendly ways of getting to work, Mr Brown said.

Away from their personal circumstances, Mr Yeandle said he was pleased that there was more money for the health service.

He said: "I think there is still a chronic shortage of funds for schools and hospitals, especially in London. I realise it is easy to stand on one's high horse and say the Government should put an extra two pence on income tax to pay for these things. I realise it would not be a vote winner."

ANDREW BUNCOMBE

## New chance for workers to buy into their firms

### SHARE OWNERSHIP

FOR THE first time, employees will be able to buy shares in their company from their pre-tax salary as well as receiving free shares, under an ambitious "Shares for All" scheme outlined by the Chancellor yesterday.

Employees will be put up to £1,500 a year into the Chancellor's proposed employee share scheme, and could receive up to another £2,000 in shares free from the company.

The scheme, which Mr Brown hopes will double employee share ownership in the UK, will be both income tax and capital gains tax free, as long as the shares are held for a minimum of three years.

Employers will get income tax and national insurance contributions relief if they choose to "match" the share purchases of their employees.

Business and industry gave a general thumbs-up to the Chancellor's plans for "employee share ownership for all" but expressed fears that the tax treatment and general red tape associated with the planned scheme might put companies off.

In particular there were fears that smaller private companies - the entrepreneurial ones, that Gordon Brown wants to encourage - might find the proposed scheme too expensive to implement.

Mr Brown said that "employees will be able, for the first time, to buy shares in their own companies from their pre-tax salary. Every employer will be able to match, tax-free, what each employee buys".

The Chancellor promised to consult with accountants, lawyers and industry to fine-tune the scheme before launching it next year's Budget.

Gill Nott, chief executive of ProShare, the organisation which encourages wider share ownership, hailed the Chancellor's proposals as "the best Budget for employee share ownership for many years".

"We are absolutely delighted that employees will be able to invest in shares out of pre-tax income and that companies

will be encouraged to match that investment," Ms Nott said.

She did, however, criticise a sting in the tail to the Chancellor's plan: an income tax claw-back which may be incurred on up to 100 per cent of the value of the shares when they are sold. This would be tapered to 80 per cent if the shares are held for a minimum of 7 years, 60 per cent for 10 years, and just 40 per cent for more than 10 years.

Ms Nott said this was the only bad point in the Chancellor's otherwise excellent plans: "ProShare would like to see the claw-back tapered to zero."

Other features of the scheme include tax benefits and payroll savings to encourage employers to set up the scheme.

Alex Henderson, senior tax manager in the accountancy firm Arthur Andersen, said: "I think the scheme will be welcomed in the big quoted company sector but... it's just not going to work for unquoted companies. It's going to be difficult for them to comply with the inevitably detailed rules and to offer it across all their quoted companies."

Large companies were loud

in their praise of the move. Lord Marshall, chairman of British Airways, said it would help speed plans to achieve 10 per cent ownership of the company by its employees. He said: "The Chancellor has come up with a highly progressive way to give an important boost to the level of this country's level of business competitiveness."

In contrast, Michael Jacobs, chairman of the shares schemes committee at Cisco, the City group for smaller quoted companies, doubted whether the Chancellor would be able to double the number of such schemes through his proposals, as he declared he wanted to last year. But overall Cisco welcomed the proposals.

"If you hold the shares for the qualifying period, you will pay no capital gains tax or income tax on the gain that you make on the shares. This goes well beyond tax relief on any previous employee share schemes," he said.

Mr Jacobs, who is also a partner in Nicholson Graham & Jones, a firm of City lawyers, added: "These schemes should be very attractive to smaller quoted companies."

Although all 30 companies which floated on the London Stock Exchange last year came up with some kind of employee share scheme, just half of them offered this to all employees.

JOHN WILLCOCK

### CASE STUDY: HIGHER DUAL-INCOME FAMILY



Mark and Jane Yeandle at home in London: 'Compared to other recent budgets, this seems to be pretty good'

Mark Chivers

## 'Comfortably off - but this will leave us even better off'

Mark Yeandle, 36, and his wife Jane, 35, are from Lewisham, south-east London. Mr Yeandle is a sales marketing manager and has a company car. Mrs Yeandle is also a marketing manager and has her own car. Annual income is £55,000 to £75,000 combined. They have a seven-month-old baby. Their outgoings are around £2,000 a month, including a mortgage of £155,000.

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fortably off. Between them their annual income exceeds £60,000 and both have good jobs in marketing. Since the birth of their son Freddie seven months ago Mrs Yeandle - who uses her maiden name Hagell - only works three days a week.

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ANDREW BUNCOMBE

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# Crackdown on airports and utilities

THE SECRETARY of State for Trade and Industry, Stephen Byers, will today outline a new competition policy following comments made in yesterday's Budget.

The policy will have measures to encourage competition in airports and the water companies whilst requiring the Financial Services Authority to produce league tables on the cost and charges of savings, insurance and pension products. The Chancellor said the tables will give consumers a better deal and avoid the mis-selling problems of the past.

In a speech that devoted a

substantial section to competition policy, Gordon Brown said competition was the sharpest spur to enterprise and was "too often missing in our country".

He said: "It is time for more competition and lower prices in basic essentials like the utilities, financial services, indeed the whole range of consumer goods, where too often British people are paying far more than they should for what they need to buy. It is wholly unacceptable that consumer goods can still cost up to twice as much in Britain as in America."

There have been complaints from consumer groups about

consumer goods such as cars, compact discs and groceries which are more expensive in the UK than in other major Western nations.

The Office of Fair Trading will be granted 20 per cent extra resources and be charged with a pro-active remit to "root out cartels and restrictive behaviour". Obstructing investigations will be a criminal offence, the Chancellor said.

John Prescott, the deputy prime minister, will review competition in airports and in the water industry.

BAA, the company which

controls seven airports includ-

## COMPETITION

ing Gatwick, Heathrow and Stansted, welcomed the move saying it had nothing to hide.

Des Wilson, BAA spokesman, said: "The government's actions are perfectly reasonable. The regional airports could probably do with more help as the main London airports reach capacity. Our landing charges are amongst the lowest in Europe and we have provided top class services."

He pointed to the £450m investment in the Heathrow Express rail link which opened last year.

will undermine their efforts to improve customer services and water quality. Last month the UK water industry wrote to Mr Prescott complaining that it will not be able to meet the government's demand to cut costs and increase environmental spending.

Nigel Hawkins, analyst at Williams de Broe, a City stockbroker, said reforming the water industry would be very difficult as there is no central system. Shares in BAA and the water companies fell in late

Commenting on the new requirement for the Financial

Services Authority to publish league tables on savings, insurance and pension products, Scottish Equitable said that costs should not be the only consideration when investing in a savings or pension vehicle: "It is dangerous to say 'Cheapest is best'."

Stewart Ritchie, director of the group's pensions development, said reforming the water industry would be very difficult as there is no central system. Shares in BAA and the water companies fell in late

trading.

Commenting on the new require-

ment for banks and building societies to publish reliable information on mortgage and savings prices, "In the competitive mortgage market such information will act as a valuable aid for consumers trying to weigh up the competing offers," said Adrian Coles, director-general of the BSA. Information should be consistent so that consumers can compare like with like, he added.

The Railfix said: "We will have to see the full proposals but there have already been some moves to ensure accurate comparisons can be made."

NIGEL CORE  
Associate City Editor

## Fears not realised as thousands more gain exemption

### INHERITANCE AND CAPITAL GAINS

THE CHANCELLOR of the Exchequer yesterday pleased the tax planning industry by boosting tax allowances on both inheritance and capital gains tax, exempting thousands of people from paying them in the new tax year.

From April, inheritance tax will only be levied on the value of an estate above the allowance of £231,000, which has been raised by £3,000.

Capital gains tax will only be levied on amounts exceeding £7,100—a £200 rise over last year. There will be no change in the rate of either tax.

Mr Brown said that Britain now had the lowest rate of capital gains tax in its history. He added that only 97 per cent of inherited estates would be liable to inheritance tax.

The moves relieved tax advisers, who had feared a full-blown crackdown on inheritance tax. Accountants and tax planners feared the Budget would include measures to block the most common loophole in the tax, relief given by tens of thousands of people to exempt their inherited estates.

The loophole, known as the "potentially exempt transfer", involves transferring wealth to a trust in the name of dependents at least seven years before the person dies.

It is partly because of this loophole that inheritance tax barely raises £1.8bn a year.

The Chancellor instead announced a smaller crackdown, buried in the fine print of the Budget, on some of the more exotic avoidance techniques used by the wealthiest investors.

Chas Ray-Chowdry of the Association of Chartered Certified Accountants said: "We are pleased that there was no crackdown on the transfers. But the overall bad news is in the underlying details not announced in the Budget speech."

In particular, the Budget will block a loophole made famous by Lady Ingram, an elderly relative of "I-Girl" Tara Palmer-Tomkinson. Earlier this year Lady Ingram won a legal battle with the Revenue that went all the way to the House of Lords.

Lady Ingram had gifted property worth millions of pounds to her solicitor, who arranged a lease-back to her so she could still live in it. The freehold of the property was then passed to dependents, taking it out of her taxable estate.

The avoidance technique is based on the principle of "gifting" a property while retaining the right to live in it. In Lady Ingram's case she also retained the right to a rental income.

The Revenue regarded this

technique as abusing the property notion of a gift—calling it a "gift with reservation"—and pursued her to the House of Lords.

The Lords ruled in her favour.

Yesterday's measures were designed to redress the legal balance in favour of the Inland Revenue so "gifts with reservation" can be taxed. Officials view the Lords' decision as showing the rules do not work as they should. The new measures will stop avoidance where a donor keeps a financial interest in the property and has the right to live on it.

Responding to the changes on capital gains tax, the tax industry welcomed the Budget but said it was not enough to make up for the complexities introduced in the last Budget.

Last year, Mr Brown stopped the use of an inflation index to offset capital gains tax, instead bringing in a tapered tax which reduces to 10p on assets held for 10 years or more. Tax advisers say the move has made the tax more complex to administer.

Angela Knight, a former Treasury minister who heads the Association of Private Client Investment Managers, said: "A number of small investors will still be liable to pay. At minimal cost the Chancellor could have cut them out of CGT altogether."

ANDREW VERTHY



Aid to Africa: Simplification of the taxation of charities will encourage more people to give

## A 'democracy of giving' sought to celebrate the Millennium

### CHARITIES

CHARITIES broadly welcomed yesterday's long-awaited publication of a consultation document proposing a range of measures designed both to simplify the tax system for the voluntary sector and to encourage more people to give.

I want us to mark the Millennium in the best way by making the year 2000 the giving year," the Chancellor said in his budget speech. "Instead of charity seen in the old way—the rich bestowing favours on the poor—I want a democracy of giving, where all those who can help all those who can't."

Charities currently receive around £2bn of tax reliefs each year, including £1.1bn relief from direct tax, £200m from VAT and the rest in business

rate relief. In 1997, British people gave £3bn to charitable causes, but the amount is declining each year.

In his speech the Chancellor said the government planned to reduce the minimum limit of its Gift Aid scheme that attracts tax relief at the basic rate to £100 from £250.

The move extends last year's experimental change which lowered the threshold for certain Third World charities to all charities, national and international. Under the review's proposal, Gift Aid payments can also be made in instalments.

The review also proposed to boost the government's charity payroll scheme, by which employees are given tax relief on

donations made through their pay, up to a limit of £1,200 a year. It is proposed that the limit is scrapped and that government will give an extra ten per cent to donations and launch a government campaign for more employers to join the scheme.

The YMCA welcomed the move but pointed out that it received most of its funding from donors who simply can not afford to give as much as £100. "It would be even better if there was tax relief across the board on charitable giving," the YMCA said in a statement.

The review also proposed to boost the government's charity payroll scheme, by which employees are given tax relief on

profits of small charity businesses, and by setting up a charity tax advice helpline. Some charities expressed disappointment that not more was proposed to relieve their VAT burden which, despite various exemption schemes, still costs them an estimated £400 million a year. The review makes some proposals to simplify VAT relief systems in place but no major initiatives were announced.

Charities have been waiting for the government to publish its review on charities taxation for almost a year. More than 3,000 charities responded to the initial stage of the review and now have until 31 August to give their response on the document published yesterday.

HILARY CLARKE

## Still a case of 'vive la différence' in EU

### HOW UK TAXES COMPARE

THE BUDGET changes will do little to iron out the substantial differences in tax and duty between Britain and other European countries.

Following this Budget the ratio of debt to national income will fall below 40 per cent in the next fiscal year and is forecast to stay below 40 per cent for the rest of the Parliament. On the face of it, this puts the UK at the lower end of the European taxation scale.

Closer inspection reveals that this broad picture masks some important variations. In particular, it disguises the fact that—contrary to popular belief—many taxes in the UK are among the highest in Europe.

Tax harmonisation is seen as forcing a low-tax hard-working UK to match Europe's uncompetitive level of state-dominated inflexibility," said Alison Cottrell, chief international economist at PaineWebber. "All very entertaining and containing more than an element of truth—which still leaves it some distance from reality."

The UK's corporate tax burden, for example, is substan-

tially higher than in Germany, Italy or France, on Organisation for Economic Co-operation and Development calculations. Recent OECD data puts the UK effective rate of company tax—which includes factors such as allowances and depreciation rules—at around 45 per cent. This is despite the fact that the UK's 30 per cent top rate of corporation tax is lower than any other major country in Europe.

"Looking at the tax rate is interesting, but it doesn't tell the whole story," said David Evans, director of international tax at accountants KPMG.

Sales tax is another field where the UK fails to shine. The OECD puts the effective rate of sales tax—which includes excise taxes—at just under 15 per cent, roughly similar to Germany, above Spain, but below Scandinavia. And as far as particular duties such as those on alcohol and tobacco are concerned, UK consumers pay through the nose. The tax on a pack of 20 cigarettes in the UK, for example, is almost £1.50 higher than the average

of other EU states, according to recent calculations by the Tobacco Manufacturers' Association. "We are one of the most highly taxed for the 'sin' taxes," said Bill Robinson, a director of the London Economics consultancy.

One area where the UK's reputation as a low-tax, flexible economy does hold true is labour tax. Relatively, the British economy enjoys low rates of personal income tax. UK workers also tend to be cheaper to employ than abroad.

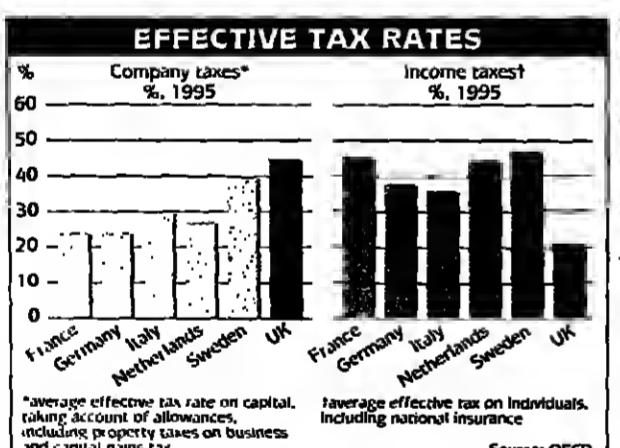
Ms Cottrell said: "Continental Europe has on the whole taxed capital far more lightly than labour in the 'Anglo' economies and the reverse has been true."

Looking forward, both market

forces and greater European integration will smooth out some of the tax differentials, although domestic political and cultural concerns limit how far this can go.

Although some differences will never disappear, budgets in the years to come will increasingly have to take account of the fiscal situation abroad.

LEA PATERSON



## Papers in a spin as leaks dried up

### MEDIA COVERAGE

COME BACK Charlie Whelan, all is forgiven. As the Chancellor rose to deliver his Budget speech yesterday, the poor British public could be excused for wondering whatever happened to the Treasury's legendary purdah.

As a glance at recent newspaper stories would reveal, one of the leakiest Budgets in years has been subject to the kind of media speculation that would make even Mr Brown's former spin doctor choke on his Red Lion pint.

From the much-rumoured 10p income tax rate to the abolition of the married couple's tax allowance, press coverage over the past week has claimed an exhaustive inside knowledge of the contents of Mr Brown's red box. Yet no one, but no one, had

the most important story of all: a cut in the basic rate of income tax from 23p to 22p. Or that the new 10p rate would come into force immediately.

In the absence of Mr Whelan's previous strategy of surgical strikes on specific media targets, eager journalists were left fumbling for a good steer on topics large and small.

The media have also speculated more wildly than usual and the result is a dizzying cocktail of stories that appear to leave Mr Brown little room to announce anything remotely new. This year's Budget has not been leaked wholesale, as Kenneth Clarke's was to *The Mirror* under the last government, but the ordinary newspaper reader could be forgiven for thinking it had.

The key "will-he-or-won't-he?" issues centred on abolition of the married couple's tax allowance, taxing child benefit and the introduction of a 10p basic rate of income tax.

Not surprisingly, amid the confusion, different newspapers have claimed with equal vigour stories that flatly contradict their rivals. Last weekend, *The Daily Telegraph* combined two key issues when it asserted that the abolition of the £1.75 billion-a-year married couple's allowance (MCA) would fund the 10p starting rate. But *The Independent* on Sunday suggested that Tony Blair had vetoed the abolition.

Depending on which paper you read, mortgage interest tax relief may/may not be saved/scrapped, while stamp duty may be frozen or raised.

But readers of *The Independent* will be pleased to note that this newspaper's record was better than most.

On child benefit, *The Financial Times* claimed that the Treasury had come up with a way of taxing it, while *The Sunday Telegraph* said that Mr Brown had backed off from the idea in this Budget.

*The Times* and *Daily Telegraph* were particularly off-beam, with the former claiming just last week that the Chancellor would be blown off course by a £2 billion hole in revenues from smuggled cigarettes and alcohol.

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PAUL WAUGH  
Political Correspondent

ilities

information on pensions, savings, etc. In addition, our website will also be available for consumers to search on the Internet for advice and information on the best investment choices, etc. We will be working on the best information available to help consumers make the right choices.

The website will also have to see the full range of services already available from our company. We are currently in the process of developing the website.

Michael C. Atkinson  
Managing Director



Ernest and Patricia Hallett from Leicester: "This is no way measures up to what pensioners have been asking for"

Kiran Ridley

## CASE STUDY: THE PENSIONER

## Savings – but not all we wanted

Ernest Hallett, 72, and his wife, Patricia, 61, from Leicester. Mr Hallett is a former print worker. His wife took early retirement as a teacher four years ago. Weekly income: him £124, her £162 from state and occupational pensions. They have a £30,000 lump sum from retirement in stocks and shares. Outgoings are minimal.

THE HALLETTES spoke of their disappointment last night, even though they will benefit from an £80 increase in heating allowance and a reduction in their road tax. The couple will save £50 a year because they own a small car; but this will be countered by an increase in the

cost of petrol. Mr Hallett said he felt that the Chancellor had let millions of retired people down by not increasing the basic state pension.

A representative of the National Pensioners' Convention, he said the minimum income guarantee of £120 for a retired couple fell short of what he and others had campaigned for.

He said: "This is no way measures up to what pensioners have been asking for. We want an increase in state pensions. All we have got in the past few years is a heating allowance and a free eye test."

Organisations such as Age Concern say that the minimum needed per week per person is £150, and £120 for a couple is so far short of what is needed

that it is not even worth considering."

The couple have difficulty replacing things when they break down. "We can live and eat and pay the electricity and gas bills, but we couldn't buy a new television or repair the fabric of the house," said Mr Hallett.

He was disappointed the Government had not improved life for pensioners. "The pensioners' movement has had meetings with Mr Brown and government officials about what we require and they've ignored what we said. In 1979, the average state pension was 24 per cent of the average wage. Now it is 14 per cent."

LINDSAY GREGORIADIS  
and CLARE GARNER

## A treble bonus for the elderly

## PENSIONERS

EVERY PENSIONER in the country will be better off after the Budget. The Chancellor delivered £2bn in extra help through three targeted measures: raising the tax threshold for older people; giving the poorest pensioners a minimum weekly income of £75 a week from April; and raising the flat rate winter fuel payment from £20 to £100 for all eight million elderly households.

Gordon Brown believes that the average pensioner household will be £240 a year better off after his changes.

"The surprised and moderately happy," said Mervyn Kohler, head of public affairs at the charity Help the Aged. "But I would not have chosen to spend the money that way – the amount is similar to what it would have cost him to update the state pension to £75 a week."

Sally Greengross, director general of Age Concern England, also welcomed the moves, but warned that up to 700,000 pensioners failed to claim income support and would miss out on the increases. She said the charity believed a basic state pension at the level of benefits was the only way to guarantee an income to all pensioners.

The basic state pension is currently £64.70 a week and this will only rise from April in line with inflation to £66.75 a week. In contrast, the new minimum income guarantee, announced in last December's Green Paper on pensions, is targeted at those who have not paid enough national insurance during their working life to qualify for a full state pension plus a second Serps (state earnings related) pension and have no other income.

Around 1.5 million pensioners are expected to benefit. Single people will get at least £75 a week and couples £116.60 a week. Some people will gain an extra £40 a year from next month.

The Department of Social Security hopes the move will overcome the stigma that older people sometimes associate with claiming income support benefits. Mr Brown's decision to link the minimum income guarantee to rises in earnings partly restores a link broken in 1981 when the Tory government started to uprate pensions in line with the retail price index rather than average earnings.

Better-off pensioners also gain through a combination of extra tax allowances and the new 10p tax band. The Chancellor delivered an uprated personal allowance of £5,720 each year from the age of 65. This

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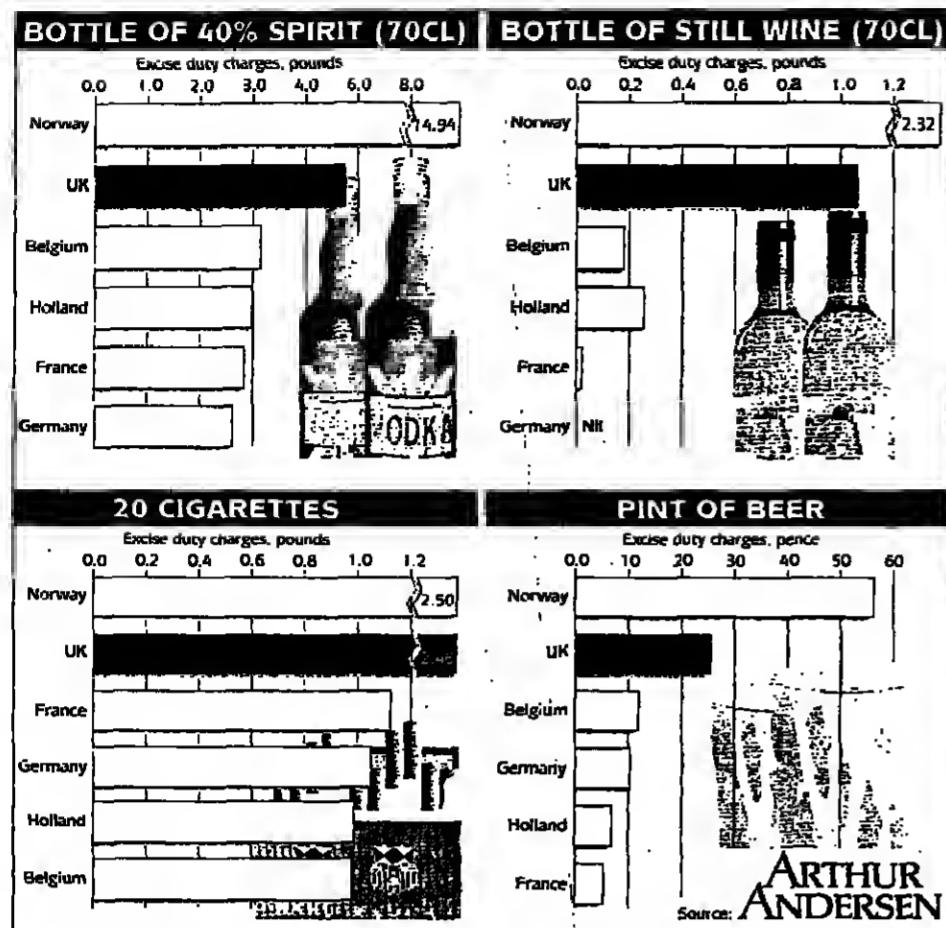


DRINKERS' REPRIEVE PAGE 3

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# Surprise reprieve for drinkers but smokers pay a high price



## ALCOHOL AND CIGARETTES

**SMOKERS** AND tobacco manufacturers bore the brunt of the Chancellor's tax increases while drinkers won a surprise reprieve with a freeze in duty on beer, wine and spirits.

Gordon Brown stuck to a long-standing tradition and announced that excise duties on tobacco will increase by 5 per cent above the rate of inflation, to help to pay for a £2bn package of tax benefits for the elderly. The rise will add around 7.5p to a packet of cigarettes, pushing the cost of 20 Benson & Hedges to around £3.80. A pack of five small cigars will cost 7.5p more, while a 25g pack of pipe tobacco will go up by 9.5p.

The rises will take place immediately. Mr Brown decided to keep on hold the other section of the so-called "sin taxes" leaving duties on beer at 33p a pint, on spirits at £7.82p per litre and at £1.49 per litre for wine.

Cigarette-makers and retailers reacted angrily to the decision to hike taxes, noting that taxes now account for nearly 80 per cent of the retail price of cigarettes. John Carlisle of the Tobacco Manufacturers Association (TMA), which had called for a £1 cut in taxes said: "We are very cross. This is an os-trich-policy and a head-in-the-

sand Budget. The Chancellor has totally ignored the problem of smuggling, the loss of tax revenues and the threat to the livelihood of retailers."

The tobacco industry has attacked the Government's tax increases as a blueprint for smugglers. According to the TMA, the Exchequer loses £1.5bn in revenue a year to smuggling.

The TMA claims that UK taxes are almost £1.50 higher than the average of the rest of the European Union countries. The differential encourages smuggling and bootlegging. Over 15 per cent of all cigarettes and over 75 per cent of hand-rolling tobacco smoked in Britain comes from illegal imports, the TMA maintains.

Mr Brown acknowledged the problem of the black market in his speech to the House of Commons but added that smuggling "will not be permitted to undo a policy on cigarettes which successive British governments have adopted for good and urgent health reasons".

He added that the Government will strengthen its anti-bootlegging strategy with "new resources to detect, prevent and punish this costly form of organised crime".

Anti-smoking pressure groups welcomed the decision to put the cigarette duties. Clive Bates, director of Action on Smoking and Health (Ash), said: "We are satisfied. When cigarette prices rise, tobacco consumption falls as smokers cut down, give up or never start in response to prices."

Labour has taken a harder stance on cigarette duties than the Conservatives, which were committed to duty increases of at least 3 per cent above inflation.

Cigarette duties have been increased every year for the past nine years. The 1987 and 1989 budgets were the only two occasions in the last 12 years

that were not increased.

The only increase will apply

to sparkling cider, where a 75cl bottle will go up by 1.02p to bring it into line with sparkling wine.

The Brewers and Licensed Retailers Association said: "A freeze is very welcome as far as it goes and the Chancellor does seem to be acknowledging the problems caused by smuggling".

Quentin Rappaport of the Wine and Spirits Association welcomed the freeze, which mirrored last year's decision on

spirits duty but departs from the decision to add 5p to a bottle of wine. "We are particularly pleased that he mentioned that he did not want to spoil the Millennium party," he said.

The industry lobby groups claim that the high level of British duties is at odds with the rest of the EU, where duties are moving towards a target rate of 8p a pint. In wine, the gap is even more pronounced with the French duty on a litre pitched at just 0.2p.

They maintain that the tax differential encourages cross-Channel smuggling. According to the industry, every day more than 1.5 million pints of beer cross the Channel - the equivalent of beer sales of all the pubs in Dorset, Somerset, Devon and Cornwall. Over two-thirds of these are re-sold illegally without paying the UK duty, causing a tax revenue loss of around £800m a year to the Exchequer.

FRANCESCO GUERRERA AND NIGEL COPE

Excise duties on tobacco will rise by 5 per cent above the rate of inflation

## CASE STUDY: THE LONE PARENT

### Little change, but I'm not unhappy with my new lot



**Sylvia Hayhoe, 45, from Carlisle. She works part-time as an administrative assistant and takes home £723 a month. She receives £15 a week in maintenance from her ex-husband and £10 a week in family credit.**

**MRS HAYHOE** said that there was little in the Budget that will affect her. She works 32 hours a week and is therefore ineligible for the working tax credit.

And unless her son stays in full-time education she is also likely to miss out on the child allowance tax credit which does not come into effect until 2001 when he will be 17.

"I think I will be slightly better off because of the 10 per cent tax band. It will be about £3 a week but every little helps," she said.

"I just miss out on everything. When they said you could have help with child care for a child under 12, he was 13 and now he will probably be too old for the child benefit changes."

KATE WATSON-SMYTH

**After paying her rent of £156 a month and all her bills, Mrs Hayhoe is left with about £150. Out of that she has to buy food and clothes and run the car.**

"I'm hoping my Peugeot 106 counts as a small car because the tax going down by 25p is a lot of money and that will make a difference. Petrol is going up but I only drive about 8,000 miles a year which is below average so I don't think it will make a huge difference.

"I don't drink or smoke so I won't be affected by that which is good."

She is about to buy a house for the first time and her fixed rate mortgage, which works out about £10 a month less than her rent, will not be affected by any changes in the interest rates.

"On the whole I think this Budget is all right but I would like to see the changes come in sooner, particularly the child benefit."

"But it is good for pensioners and children, even though that doesn't affect me."

Lone parent Sylvia Hayhoe says little in the Budget will affect her. Ian Duncan

**Midland Private Banking**

### Interest rates for Midland Private Banking customers

With effect from 9 March 1999

Private Banking Current Account (1)	Previous Gross %	Gross %	AER %
Up to £2,000	0.50	0.50	0.50
£2,000+	1.00	1.00	1.00
£10,000+	2.23	1.74	1.75
£50,000+	2.96	2.48	2.50

Private Banking Savings Account (1) (annual interest option)	Previous Gross %	Gross %	AER %
Up to £10,000	4.89	4.41	4.50
£10,000+	5.09	4.61	4.70
£50,000+	5.18	4.70	4.80
£100,000+	5.47	4.99	5.10

Private Banking Savings Account (1) (annual interest option)	Previous Gross %	Gross %	AER %
Up to £10,000	5.00	4.50	4.50
£10,000+	5.20	4.70	4.70
£50,000+	5.30	4.80	4.80
£100,000+	5.60	5.10	5.10

Investment Management	Cash held on the Capital Account within our Investment Management Service will earn interest at the following rates:
Up to £5,000	1.00
£5,000+	4.91
£10,000+	5.11
£50,000+	5.20
£100,000+	5.49

Gross: the rate before the deduction of tax applied to interest on savings. AER (Annual Equivalent Rate): A notional rate which illustrates what the gross rate would be if interest was paid and compounded each year. All rates are quoted per annum.

(1) This product is no longer available to new customers.

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Member HSBC Group

Charity benefits in pools duty cut

## BETTING

POOLS OPERATORS received a £30m boost in a bid to stem the slump in turnover caused by the National Lottery. Gordon Brown announced that pools betting duty will be cut from 26.5 per cent to 17.5 per cent in exchange for the pools companies' pledge to fund two football charities.

Littlewoods, the leading pools operator, welcomed the measure: "We are pleased the Chancellor has given this reduction that will allow us to compete more effectively in a very competitive market. It is a cash boost which will aid investment in new technology to provide every collector with a hand-held computer terminal which will revolutionise the way the pools are entered."

The Chancellor said that the cut - the third in four years - would help pools operators to compete with the National Lottery and its spin-off games. In a related measure, he also announced that from 1 April, the gaming duty bands - levied on casinos - would be linked to inflation.

Britons spend around £500m a year on football pools but their share of the £10bn-a-year betting market has been in decline since the launch of the National Lottery four years ago.

In exchange for the cut, which comes four years after two 5 percentage points reduction, pools companies have agreed to fund the Football Trust and the Foundation for Sports and Arts until March 2002. The Football Trust, set up in 1990 after the Taylor report into the Hillsborough disaster, helps football clubs in meeting the safety recommendations of the report. The Foundation, established in 1991, supports small grassroots projects in the arts and sports.

The reduction was attacked by bingo operators. "We are very disappointed that the Chancellor has not helped us in the budget. Bingo operators cover a wider area of the country than pool operators (which are concentrated in Liverpool and employ more people)," a spokeswoman for the Bingo Association said.

The indexation of gaming duty, levied on the difference between the stakes received and the winnings paid out, will mean that casinos will start paying the highest 40 per cent tax rate on any takings above £4.31m, compared with £4.2m previously.

FRANCESCO GUERRERA AND NIGEL COPE

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# And there I was, worrying about a recession

LET'S SAY it's Droitwich. In a newish semi, with a two-year-old, runabout Peugeot in the drive outside, my alter ego, Desdemona Aarons, sits watching the Budget on the kitchen-diner portable. It is to her that I always turn when, as an inhabitant of Lower England, I want to know how things are playing in Middle Britain. Today the kids are at school, and Desdemona is working from No 43 Magenta Drive. Now she pours a Continental blend from the cafetière, takes a bite from a Saimese's croissant, and turns to the screen. The Chancellor is rising.

Desdemona is taken by his tie, a gold job with what look like coins stitched to it. Perhaps they're euros. The TV picture is a slightly unpleasing one, leaving a row behind the Chancellor of headless, footless torsos, their disconnected

arms busily taking notes. She wonders why the director doesn't frame his shot better, and why - from time to time - a collective grunt or guffaw punctuates the speech for no obvious reason.

The speech feels very modern. Lots of it seems to be about schemes with names like Research and Development Tax Credit, which has something to do with loads of extra science equipment for companies. Mr Brown tells her that she won't be taxed for having a company computer at home. Which must, she imagines, be great.

Already an image is being created in her mind, an apotheosis of New Labour, with Chancellor and PM floating like constellations over a landscape of winking machines and hungry entrepreneurs. Youthful brainboxes in white coats run

around labs shouting, "I've found the solution, thanks to Mr Gordon Brown!" As her imagination wanders, she absorbs something about a Computer Learning Centre in every town. Presumably they will have one in Droitwich, and all the old computers will be sent there to update themselves and learn new skills, such as how not to switch themselves off on 1 January 2000.

And there will be 10 million more books in schools! That's a shiftload of *Chippy's Magic Adventures*, she thinks, gratefully. Perhaps now she and Trevor will stand a better chance of getting the boys to read.

And more doh for the Health Service, and for pensioners (who deserve it, after all, don't they?). And the Chancellor is now talking about a Giving Democracy, in



DAVID AARONOVITCH

*This seems to be socialism without pain, largesse with prudence. Is such a thing possible?*

which the educated, risk-taking entrepreneurial, scientific, whizz kids voluntarily share their cor-

mucopia with the poor and the downtrodden, their efforts supplemented by a wise and prudently generous administration.

There's even a lower starting rate of income tax for the lower paid, bless them. Which, she supposes, acts as an encouragement to behave well, and is better than an indiscriminate tax cut for everybody. Wallah! The main rate down, the Chancellor back in his seat, a grin the size of the Cheddar Gorge on his face, cheers all round and David Dimbleby on BBC saying that the speech was "one hour five minutes and 45 seconds long, for those who are interested". Desdemona supposes that there must be such people.

So, science boosted, computers everywhere, jobs for all, books galore. Eight and a half billion quid in good, prudent things, a Giv-

ing Democracy (whatever that is) established and a moment of plen-  
surable guilt when Desdemona's own tax rate came down. And what's the cost? A tad on very expensive houses (the new pad Desdemona covets costs less than £250,000), a big amount on fags (Desdemona packed it in a year ago, and now attends the local gym twice a week), the end of mortgage tax relief (not worth very much any more). This seems to be socialism without pain. Largeesse with prudence. Is such a thing possible? It is certainly what Desdemona felt she was voting for back in May 1997.

There must be a catch, but right now no one can think of one. Back on the TV, Peter Snow now prances with angular grace round a virtual reality street, and every house or shop he calls at seems to be vaguely content, from the unem-

# As a high-earning mother, I expected to feel betrayed. Instead, I'm euphoric



DEBORAH ORR

*I'm relieved there'll be no tax for the time being on child benefit for families in high tax brackets*

quid a year in tax benefits because they're being in some way "upright" is insulting not only to the people who either choose or are forced to live and bring up their children in a different structure, but also to the institution it is designed to reward.

However, it is, of course, when the children come along that the finances of couples are thrown into confusion. Which is why the replacement of the married person's allowance with children's tax credit is absolutely the correct way forward. Although the £16 credit will not come into operation until April 2001, it is still fantastic news and infinitely superior to the anomalous married person's allowance. The fact that it will taper away for high-earning families is again good news.

Anyway, the much-propagated idea that all the financial benefits of being married are being eroded is simply not true. For example, if your spouse isn't earning you can put your savings into his or her name, and avoid paying up to about £4,000 in tax on them because of your partner's unused tax allowance. Or you can make financial gifts to your spouse without paying capital gains tax. Or you can live safe in the knowledge that anything you leave to your spouse in your will is free of inheritance tax. And so on. There are still plenty of financial advantages to being married, without the state giving further handouts from the public purse.

I've always found it patently obvious that two can live more cheaply than one, and when two people on large incomes sell two flats, buy a house and pool their resources in matrimony, it seems to me that they're much better off anyway - especially since their pooled income might take them into a higher tax bracket if men's and women's taxation were not now calculated separately.

Giving them a couple of hundred

of all other family earnings. I do, however, believe that it should be a matter of conscience for well-off families as to whether they in fact claim benefit. Tony and Cherie Blair don't set much of an example here, and neither do many other left-leaning affluent couples. This may be because there is no mechanism whereby unclaimed child benefit can be redirected to help poorer children. Child benefit should never be taxed, but it might be a good idea if better-off families were encouraged to covenant their benefit into one or other of the Government's ever-more dynamic schemes to target particularly needy families.

It need hardly be added that another rise in child benefit, to £15 a week for the first child and £10 a week for subsequent children, is also excellent news. While the childless are often heard complaining that they subsidise the welfare and education of children enough already, Gordon Brown's prediction that "while children now make up 20 per cent of our population, in the future they will make up 100 per cent of our population" should surely console them that at least this state of affairs will not continue for ever. Or maybe Mr Brown was simply suffering a moment of confusion on a day of crystal clarity.

I feel a little disappointment that Mr Brown has chosen not to offer tax benefits to couples when one of them decides to give up work, and be a parent full-time.

And again, while it is good news that benefits will continue when lone parents first start work, there is still not quite enough recognition from this Government that full-time parenting for pre-school children is also an investment in the future of the country, and a choice that is difficult for families who made their financial commitments on the basis of two incomes.

But I'm more than happy about the abolition of Miras. This is a reward for being affluent enough to



Mr Blair has ensured that this is a Budget that puts the modern family at the heart of its tax reforms

get a mortgage together and make an investment for the future. There's no tax relief if you're paying an exorbitant rent, and in that case you don't get to flog the property for a whacking profit when you manage to move out. So it's always seemed unfair to me that everyone who has a mortgage can claim tax relief. Again, lots of people just don't need that kind of state handout.

However, there is a difficulty here with the many people on the margins of owner-occupation. While the Government believes that this is a good

time to abolish Miras because interest rates are low, the fact is that low interest rates have not made the tiniest dent in repossessions. Some mortgage lenders start repossession proceedings when as few as two mortgage payments have been missed. And while the Government is encouraging people to take out mortgage indemnity insurance, it's obvious that those who need it most are least likely to be among the one in five mortgage holders who are finding the money to afford it.

I suppose you could argue, with

some moral force, that other measures in the Budget that are designed to decrease the tax burden on the poor more than compensate for the loss of Miras.

But since the problem is so huge, I'd argue that it needs separate attention anyway. The most sensible suggestion I've heard for dealing with this problem, which, of course, devastates many families, was floated by the Institute of Housing last year. It believes that there should be schemes up and down the country whereby families who find

themselves unable to cope with their mortgage payments should have the option of teaming up with housing associations that can take over part-ownership of homes; thus cutting the mortgage commitment of the family and at the same time investing in the property themselves. Surely this is preferable to the current system, whereby there is little or no help for families in danger of losing their homes. This is the major gap in a Budget that is otherwise a triumph for the parents and the children of this country.

# You shouldn't be so complacent, Mr Brown



KEN LIVINGSTONE

*Listening to Gordon, it's easy to forget the outside world, which will make or break this Budget*

not compete, while East Asia and the rest of the European currencies were deviating. The interest rate cuts since last summer are a case of too little, too late, with their effects taking 12-18 months to reach the real productive economy. The current economic slowdown is the result, and will be made worse because 40 per cent of the world economy is already in recession.

While it is true that the Bank of England, and other central banks, are reducing short-term (three-month) interest rates, they have no control over long-term interest

rates. Productive investment is affected by long-term interest rates, not short-term ones. Long-term interest rates, in turn, are set by the supply of and demand for capital.

There is now an international rise in interest rates. This started in Japan with long-term rates doubling between September last year and January 1999. It then spread to the US from last October, and began to affect Europe in February. Since inflation during this period has not risen, real long-term interest rates have gone up in the last period.

This means that the world economy is slowing sharply - with recession in Japan, slowdown in Europe and various degrees of financial crisis in East Asia, Brazil and Russia. Under those conditions the rising long-term interest rates reflect a decline in the supply of capital rather than excessive demand.

The exception to slowing growth is the United States, but it is running up against the limits of the supply of capital - the chief external supplier of which has been Japan.

The key point in Europe is that at the beginning of a slowdown or recession, real long-term interest rates have risen, whereas they would normally be expected to fall. Such an increase in real interest rates during the downswing of the business cycle increases recession.

Such a policy would lead to a real expansion of investment and employment and lay the foundation for an investment-led upswing in the business cycle, joyfully coinciding with the next general election.

# Enlightened help for entrepreneurs



ANDREAS WHITTAM SMITH

*This New Labour Chancellor shows every sign that he understands wealth creation*

this to get their businesses off the ground and flying, entrepreneurs have an urgent need to attract talented staff. Such people are in short supply. Of course, they would not move to a new enterprise unless they were risk-takers by nature. Yet they often hesitate before jumping and sometimes turn back. It is impressive that the Chancellor has set this point. He sees that schemes that provide options on shares in new enterprises can be a valuable incentive, and he is acting wisely in making sure that the tax treatment of the eventual rewards is favourable.

Entrepreneurs are the sort of people who hardly dislike what they see as wasting time in filling out forms and disentangling themselves from red tape. Here is the central task for the proposed Small Business Service. It must identify the frictions and inefficiencies in running businesses that the Government itself creates. For these tasks it requires a strong leader with political clout, otherwise it will be an example of gesture politics.

In fact, I am hopeful. This New Labour Chancellor shows every sign that he understands wealth creation; in that regard he is more enlightened than most of his predecessors. Conservative and Labour alike.



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## Politically brilliant, fiscally progressive, but based on a risky assumption

THIS WAS the most intellectually and politically confident budget speech since Nigel Lawson's in 1988. Gordon Brown was at his exuberant best, delivering a Budget that pleases everybody except the Conservative party, which he left for dead. It was a substantial redistribution in favour of the working poor, families with children and the old, combined with the theft of Tory political rhetoric on a grand scale.

It was not perfect, of course. The 10p starting rate of income tax was a gimmick when Mr Brown first proposed it, and it remains a gimmick now. Equally, the cut in the basic rate from 23p to 22p trailed for next year over most to the need to deliver a killer political punch to a Tory party suckled on the milk of basic-rate tax cuts. But in making the point that the burden of taxation is felt not only by the rich but also by the hard-working poor, the conversion of the Labour Party to the tax-cutting gospel is long overdue.

And in its combination of the goals of fairness and encouraging enterprise, the Budget was a triumph. The measures for rebalancing family taxation deserve at least four long, loud cheers. Undeterred by the sentimentalists who object to the arrival of the 20th century, let alone the 21st, the Chancellor boldly abolished the married couples' allowance and tied the advantages of the tax system entirely to children, with no regard to the status of the family in which they are brought up. This liberalism is to be applauded: it should treat parents equally, not only whether single, double, divorced, separated or widowed, but also whether they are gay or straight.

The additional help for pensioners is a welcome recognition that not everybody in Labour's new Young Country is able to assume the duty of moving from welfare to work. Again, the Chancellor was clever to combine a universal increase, from £20 to £100 in the winter payment, with a means-tested one, raising the "guaranteed minimum pension" next year by the rise in earnings - a partial restoration of the link broken by Mrs Thatcher in 1981.

Finally, the Budget should be applauded as a marker of the extent to which the Government now recognises that risk-taking is an important engine of job creation. This follows the Prime Minister's speech last week, in which he extolled the virtues of the US economic model over the continental European one. The toughening up of the new competition regime deserves another burst of applause - let us hope this presages a real attack on the abuses of market power on the American just-in-time model.



Unfortunately, there was too much in Mr Brown's speech of the tired old assumption that "encouraging entrepreneurs" means giving them tax breaks and "government support". The Chancellor sounded suspiciously like Tolstoy's character who sits on a man's back saying:

"I am very sorry for him and wish to ease his lot by all possible means - except by getting off his back." The best way to encourage entrepreneurs is to get government off their backs altogether. What small employers desperately need is to minimise contact with government and, when contact is unavoidable, to simplify the requirements on them. There was some recognition of this in Mr Brown's idea that a "one-stop open-door service" for small businesses would offer an automated payroll service, but they are unlikely to be holding their breath for this salvation.

A simpler tax system, operated by an Inland Revenue with the same sense of innovation and enterprise as Mr

Brown was enjoining on the rest of us, would be the biggest help. Instead, the Chancellor headed off in the other direction, announcing £10m here and £50m there on schemes and tax breaks and bureaucratic form-filling "initiatives", dressed up in New Labour, third way rhetoric.

One of Nigel Lawson's achievements was as a tax reformer who made the tax system simpler and more logical. Mr Brown has simplified the big picture: an independent Bank of England, a "golden rule" and a rule for sustainable national debt, and a three-year planning horizon for government spending which has abolished the annual spending round. But he is in danger of cluttering up the canvas with a lot of self-defeating fine brushwork. The tax concession on so-called "high risk" share options is the kind of crazy loophole which Mr Brown's socialist double denounced with such justified fury in opposition.

The other strategic objective in the Budget was Mr

Brown's green plan to shift the burden of tax from small cars to big ones, from employment to pollution. We hope this will meet the target of cutting greenhouse gas emissions from burning fossil fuels by 2010. But there is no reason why he should not move further and faster.

Overall, though, it was a politically brilliant and fiscally progressive budget. The main danger is that it is founded on the optimistic assumption that the British economy is about to effect its first-ever soft-landing-followed-by-immediate-take-off. After a pause in growth this coming year, the 2.5 per cent growth that is forecast for 2000-01, followed by 3 per cent in 2001-02 (election year), leaves plenty of scope for a belly-flop on the downside.

Look what happened after Nigel Lawson, at the height of his confidence and power, proclaimed an "economic miracle" in 1988. It will be some time before history can judge his successor.

## A Chancellor who positively revels in being an old-fashioned spender

NONE OF the leaks did it justice. All that talk about fiscal neutrality was blown away by a Budget that positively revelled in its old-fashioned injection, as the Chancellor put it, of £2bn of purchasing power into the economy.

We had been ready for the new 10p starting rate, but not the 1p cut in the standard rate. We hadn't known that the new forecasts of unemployment-driven social security spending had been reduced by £6bn - allowing the Chancellor to find the money for what was, when all was said and done, a Budget as populist as it was redistributive.

And as with the content, so with the performance. For a Chancellor whose public demeanour is positively austere, this was an unusually flamboyant performance. He teased his audience, he promised to ensure that the cost of alcohol would not go up before the millennium, and he skewered William Hague and Francis Maude by reminding us of their past words or two of the most potentially controversial elements - abolition of both the married couples' allowance and mortgage interest relief.

On these last two points he has clearly got his way. Part of Brown's acumen as a chancellor, not for the

first time, has been to see how easily some old-fashioned Treasury orthodoxy can be made to sit with left-of-centre redistribution.

Abolition of mortgage interest tax relief is, of course, easy to present as a left-wing squeeze on the middle classes; in fact it was Ken Clarke who started to whittle it away to something worth only about £200 a year. During the Tory years it was not only Treasury orthodoxy but a target of some quite right-wing members of the Tory party, who thought it a perk too far and a distortion of the housing market, which it was.

Nigel Lawson, a chancellor whom Brown resembles in confidence and authority, as well as in a dislike of unnecessary tax breaks, would certainly have liked to abolish it. That it was preserved for so long was a function of Margaret Thatcher being, in truth, less of a Thatcherite than many of her followers, and insisting that the state had a duty to subsidise the married home.

Similarly with the married couples' allowance. It is easy to understand that Tony Blair might have been a little nervous about the presentational problems it could cause in *Daily Mail* land. But it has become, as Gordon

Brown pointed out with some vigour yesterday, a much more meaningful issue than its propagandists would ever admit, and has appeared all the more of an anomaly since Lawson established independent taxation for men and women.

Independent taxation was one of the obstacles, however, to another wisely predicted change which didn't in fact happen yesterday. The problem was that the non-working wife of a

millionaire company chairman would still be able to claim it, while a hard-working middle-class woman who earned enough to be just above the higher rate of tax would not. But it was never entirely beyond the wit of the Treasury to find a way of taking the spouse's earnings into account, and Brown showed every sign of thinking that it could be done. Nor was there anything inherently socialist about doing out a benefit to those for whom, as Jilly Cooper once memorably said, it is worth a bottle or two extra of Sainsbury's champagne a week.

But this should not detract from what was an unexpectedly swash-buckling budget for the mid-term. So fast and furious came the spending and tax-cutting promises, that you hardly had time to notice when the Chancellor tore up competition policy by announcing a new, all-powerful agency that will henceforth, just as the Bank of England did on interest rates, replace the Secretary of State for Trade and Industry from most quasi-judicial decisions on mergers.

The Labour backbenchers were ecstatic about many of the announcements - perhaps most of all for

announcing a quadrupling of the pensioners' winter allowance. But in fact

this was a Budget which, perhaps more than any previous one, encapsulated Gordon Brown's driving idea - that it is possible to combine a passion for social justice with as much enthusiasm as the most ardent Thatcherites ever had for enterprise and entrepreneurship.

The milk and honey may not yet flow quite as lavishly as the Chancellor implied. The assumptions on which his increased freedom for manoeuvre depend require the industrialised countries not to slip into a global economic crisis.

And the Budget itself was a mite less generous than the Chancellor made it look yesterday: indirect taxes will go up; the 1p standard rate cut is not till next year; the 20p rate goes up to 23p and then back to 22p when the 10p rate comes in next year. Nevertheless it was a bravura performance by a Chancellor who knows that his resolute resistance in the first two years in office to the temptation to which previous Labour governments had been prey, is starting to reap its reward. So expansive was his performance, that you might almost think there were an election or four in the air: I count one local, two national and one European myself.

### BUDGET QUOTE OF THE DAY

"It is extremely frustrating to hear someone else singing snatches of our song but doing it so completely out of tune."

Paddy Ashdown,  
leader of the Liberal Democrats

### BUDGET THOUGHT FOR THE DAY

"Forty thousand pounds a year is a moderate income - such a one as a man might jog with."

John George Lambton,  
first Earl of Durham (1792-1840)

## A mixed welcome for Mr Ten Per Cent

AFTER ESTABLISHING, in his first two budgets, a reputation for prudence, Gordon Brown has found some money to spend. On balance he has spent wisely, if perhaps too well.

Although there has been much talk of recession, we are still close to the peak of the economic cycle, and the public finances show it. Not since the peak of the 1988 boom has a chancellor had such a favourable fiscal backdrop.

To some extent, this fine economic weather is of Gordon Brown's own making. He wrong-footed the Tories before the 1997 election by promising to stick to their spending plans. He has talked endlessly of fiscal prudence ever since. But the statistics in his Red Book show that he has delivered. A dramatic reduction in public borrowing in 1997-98, of 3.3 per cent of GDP, has been followed by a further 1.2 per cent reduction in the current year. Now, in his third budget, he has

decided to reap the fruits of his earlier parsimony. With the economy faltering, he has decided that it is prudent to administer a small fiscal stimulus. He has done so in Brownian fashion.

His summary table lists no fewer than 61 Budget measures - nearly one a minute in a speech of just over an hour.

Was it safe to deliver so much so quickly? The net effect is in fact quite small - a £1bn stimulus in 1999-2000, rising to £3.5bn in 2001-02. With the economy visibly slowing at present, there is not much risk in this year's giveaway. But Mr Brown has promised tax cuts that will boost demand in the next century, when the economic environment may be less propitious.

A penny off income tax and the introduction of the 10 per cent band together cost £4bn. The reform of National Insurance costs another £2.5bn. There are further commitments to increases in the pensioners' winter allowance, in the minimum

income guarantee for pensioners and in child benefit, adding another £1bn.

So the big giveaways in year three total £3.5bn. Some of this is offset by

the heavily trailed abolition of the married couples' allowance and mortgage interest relief, which together yield £3.5bn of extra revenue. But the net fiscal easing is still substantial, particularly since some of the other offsets look distinctly iffy.

The Chancellor has chosen to ignore the haemorrhage of tax receipts from tobacco duty and counting on nearly £500m from that source, not all of which will materialise. He has written in nearly £2bn for a new tax on the business use of energy, which may not emerge unscathed from the long process of consultation that he is inviting. And many of his other offsets come from anti-avoidance measures and increased taxes on capital, which are notoriously hard to forecast.

So there is a risk that the surplus on the current Budget will not materialise. This package of measures will stall, rather than accelerate, the fall in interest rates. But if the City does

not like the impact on borrowing costs, it can hardly object to the tax reforms. Mortgage interest relief, beloved by Mrs Thatcher because it encouraged home ownership, has been whittled away almost continuously through the Nineties. A period of low interest rates is a good moment to administer the coup de grâce.

Finally, a mixed welcome for Mr Brown as Mr Ten Per Cent. As all thinking people know, the introduction of a 10 per cent income tax rate is a piece of headline-grabbing nonsense, much less effective than an increase in the personal allowance. On the other hand it would be churlish not to welcome, from this sensible Labour Chancellor, a 10 per cent starting rate of tax on small businesses and a 10 per cent rate on long-term capital gains.

The author is a director of London Economics and a former special adviser to the Treasury

### THE INDEPENDENT INTERNATIONAL

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# 'The fairer Britain is, then the

These are the edited highlights of the Chancellor's speech yesterday

**TODAY'S BUDGET** is a Budget for Britain to succeed in the new economy and lead in the new century: a Budget that builds on a strong foundation of economic stability, advances a modern framework of efficient public services and encourages a dynamic Britain of enterprise and fairness.

With this, the last Budget of the 20th century, we also leave behind the century-long sterile conflicts between governments of the left that have too often undervalued enterprise and wealth creation, and governments of the right, too often indifferent to public services and fairness.

This is a Budget built on the central idea that our future depends on enterprise and fairness together: The more enterprising Britain is, the more wealth we create, the higher our standard of public services and our standard of living can be – not just for the few but for all of us.

The fairer Britain is, the more open Britain is to the talents of all, from whatever class or background, the more enterprising and prosperous all of Britain will be. Because enterprise and fairness are founded on securing sound economic fundamentals, this Budget locks in monetary and fiscal stability for the long term.

Because enterprise and fairness depend on modern public services, we are not only providing the extra promised to health and education but today I will announce more money and more capital investment in schools, hospitals, transport and fighting crime.

And this Budget implements far-reaching tax reform that will deliver a better deal for enterprise, a better deal for families, a better deal for work. Because for too long the tax system has undervalued entrepreneurship and investment, we will cut taxes on enterprise.

And we will champion the needs of small business and introduce a new competition policy and a new computer strategy for Britain. Because for too long the tax system has undervalued the family, failing to reward those who take on the most important responsibility of all – bringing up children – we will cut taxes for families, helping parents when they need help most.

To recognise the contribution to our country of our senior citizens, this Budget will increase the income of all our pensioners.

And because for too long governments have taken too much in taxes from people who work hard but are not wealthy, this Budget now rewards tax and benefits and delivers tax cuts that reward work and make work pay for everyone in Britain. So in a better deal for Britain that puts work, enterprise and families first, this Budget will cut tax rates and at the same time boost public investment – and it will do both at the right time for the British economy.

## STABILITY

**TWO YEARS** ago Britain faced the threat of rapidly rising inflation. So our first priority, and our continuing obligation, has been and is to build a solid foundation of economic stability ...

Our forecast is for inflation of 2.5 per cent this year, next year and the year after. For the first time in our generation, Britain can look forward to sustained low inflation.

In our first week in government, we made the Bank of England independent, freeing monetary policy from the politically driven control that in the last economic cycle led to 15 per cent interest rates for an entire year and interest rates at 10 per cent or over for four years.

Now, because together we are steering a course of stability, long-term interest rates have come down from over 7 per cent in May 1997 to 4.5 per cent – our lowest long term interest rates in over 40 years.

And, after five interest-rate cuts in five months, saving the typical homeowner around £900 a year on their mortgage, Britain now has the lowest mortgage rates in 33 years.

All of this has happened against a background of great uncertainties in the global economy. One quarter of the world is now in recession. World growth has been cut in half. World export growth has fallen even faster. And, as a result of failures in many of East Asia's economies, our exports to them have fallen by 50 per cent or more. And this year, as trade imbalances worsen, and threats of protectionism grow, it will be even more important to hold to our course of stability.

Britain, with other G7 nations, has rightly assumed a leadership role to address the root causes and contain the spread of future global crises. The storms may come again. But because of what we have done, our economy is now better prepared to weather them.

With public investment set to rise and interest rates coming down, both at precisely the right time in the economic cycle, Britain's fiscal and monetary policies – often at odds in previous economic cycles – are now

working together to promote growth with low inflation.

I can confirm our growth estimate for 1999 of 1 per cent to 1.5 per cent ... followed by stronger growth – in 2000 of 2.25 per cent to 2.75 per cent and then in 2001 of 2.75 per cent to 3.25 per cent. Despite world conditions, more men and women are in jobs than at any time in our history, and unemployment in the last year has been at its lowest rate for 20 years.

Since May 1997, youth unemployment has fallen by 57 per cent, and long-term unemployment has been cut in half. And because more lone parents are now in work, the numbers claiming out-of-work benefit – rising for 30 years, over 1 million when we took office – have now fallen by nearly 100,000.

As we entered office we inherited a budget deficit of £23bn ... In our first year the deficit was reduced by £19bn. In my Budget last year, I promised we would reduce the deficit further. As a result of our prudence, our first two years' spending is £2bn lower than the spending plans we inherited. This year, the Budget will be in surplus. The current surplus this year is forecast to be £2bn. And public-sector net borrowing will be in surplus by £1bn.

I am determined to continue locking in this fiscal tightening for the years to come so that we continue to meet our fiscal rules and so deliver sound public finances.

I have had to offset the impact of slower world growth on our corporate tax revenues, and lower indirect tax revenues. But, as a result of sound economic management, debt-interest payments next year have been cut by £2.5bn from their previous forecast, and in total by £4bn over the next three years.

Because less of our social security budget is being wasted on paying for past failures in employment policy, social security spending as a whole has not been rising as in previous years. And over the next three years social security spending including unemployment – even after adjusting for the economic cycle – is set to be significantly lower than previously forecast, freeing resources for new help for families and pensioners.

At the time of the Comprehensive Spending Review there were those who said we could not afford the £40bn for new investment in health and education and still meet our fiscal rules. I can report that the entire £40bn investment in health and education will be fully delivered and will be delivered fully within our fiscal rules.

Not only that, but still meeting the test of fiscal prudence I will today allocate from our Capital Modernisation Fund even more investment for hospitals and schools.

And still meeting the test of fiscal prudence, I will be able to afford tax cuts to reward work, encourage enterprise and strengthen the family. Even after all the measures in today's Budget, next year's current surplus is expected to be £1bn higher than previously forecast – and £1bn more in 2000-2001.

For the coming five years the current surpluses are forecast to be – successively – £2bn, £4bn, £8bn, £20bn and £1bn. In line with our golden rule, even under our most cautious assumptions, we are balancing the current budget over the economic cycle.

And for the first time in a generation we are eliminating the current structural deficit. We are also meeting the second fiscal rule, that of sustainable investment, a prudent ratio of debt to national income.

Debt as a proportion of national income has already fallen from the 44 per cent we inherited to under 41 per cent this year, and it will fall below 40 per cent to 39.5 per cent next year; then to 38 per cent, then to 37 per cent in 2001-2002. Britain's fiscal position is ... on the soundest possible footing for the future.

For the coming five years, the estimated current Budget surplus totals plus £24bn – in contrast with the last government's deficit over the last economic cycle of minus £145bn and the last government's doubling of the national debt ...

I am also able, with my Budget measures today, to boost purchasing power over the next three years by £6bn at exactly the right time for the economy. Even after these measures take effect, public-sector net borrowing will be lower than previously forecast in each of the next three years – at £3bn in the coming year, and then £2bn, £1bn, £2bn and £1bn in the years after.

And for those who take a special interest in European issues – in particular the Maastricht Treaty – I can confirm that Britain is well within the Maastricht criteria.

I have often told this House that our prudence is for a purpose. And so I am now able to announce a new boost to purchasing power of £5bn over the next three years as a result of my Budget measures: – net tax cuts of £4bn targeted to working families – and on top of that, for families and public spending, more than £2bn of additional public investments.



## ENTERPRISE

TO THOSE who argue that getting interest rates and inflation down is enough, I say that stability is the essential foundation but it is only the first foundation. We must build on that foundation a modern knowledge-based economy.

Britain must make a quantum leap in skills, innovation, competition, information technology and small business. So today, we bring forward seven major reforms for a new enterprise economy open to all.

First, tax cuts for business. So that more businesses – large and small – will invest, grow and prosper, so that the many and not just the few will have the chance of starting businesses, we today cut business taxes and introduce a special enterprise management incentive scheme to reward the risk-takers ...

I confirm that from 1 April we will further reduce the main rate of corporation tax from 31p to 30p, the lowest rate in the history of British corporation tax, the lowest rate of any major country in Europe and the lowest rate of any major industrialised country anywhere ...

When we came into government, small companies tax was 23p ... From April this year the rate will be

20p – 350,000 companies will benefit. But I want to do more by creating an even lower rate that will give new incentives for men and women to start their own business and work their way up ... I announce today a new starting tax rate for small business of 10p in the pound. Every company making profits up to £50,000 will benefit.

The legislation will ensure that the beneficiaries are genuinely those who take risks. And as per cent of the firms gaining from the new 10p tax rate have fewer than 10 employees – the very firms we most want to see grow, the very firms

to all companies – large and small – an assurance not just for a year but for the rest of this Parliament: there will be no return to the higher tax rates of the previous Parliament ...

I recognise the difficulties faced by manufacturing as a result of global instability and the strong pound. And so I will set aside an additional £25m to allow small and medium sized companies to write off 40 per cent of all they invest in the coming year.

In other areas I am extending the tax allowance for new films made in Britain. And the shipping industry has put to me the case for enhanced training incentives and for a lower rate ring-fenced tonnage tax ...

Second, I propose a tax reform that will reward risk and stimulate new enterprise at the cutting edge of technology. I want to recruit, motivate and reward Britain's risk-takers, the innovators capable of creating wealth and jobs ...

In the past, share-option schemes, subsidised by the taxpayer, have rewarded those already at the top whose risks are low and rewards already high ... Tomorrow I will publish details of a very different kind of targeted tax cut for those who are prepared to move from secure jobs and venture their time and effort to create wealth for our country.

The new enterprise management incentive will allow the award of equity worth up to £100,000 for success in building up the new path-breaking companies our economy needs.

Our capital gains tax reforms re-

ward committed long-term investment. For the first time, Britain now has a long-term rate of only 10 per cent ... For all individuals, from April, the first £7,100 will be free of capital gains tax. This measure will exempt 10,000 more people from capital gains tax altogether. Britain now has the lowest long-term rate of capital gains tax with the most generous threshold in its history.

I now turn to the rate and threshold for inheritance tax. The rate will be unchanged and fewer people will pay the tax as I raise the threshold by £3,000 to £231,000: 97 per cent of estates will now be exempt.

Third, targeted tax cuts and public investment to put Britain and British enterprise at the forefront of innovation. I propose a new R&D tax credit which will give new business and small business – the biggest source of innovative ideas – cash help to research and develop their innovations even before they make their first profits.

At a cost of £150m a year, this targeted tax cut will underwrite almost one-third of research and development costs for small business. Britain now has one of the best incentives for innovation anywhere in the industrialised world.

Scientific innovation is a prime catalyst of growth ... The seedbed is basic science. I can announce a £100m new investment in university science laboratories and equipment and restrictive behaviour. Obstructing investigations will be a criminal offence. Wherever there is monopoly power we will open the way to competition ... Britain will have the most open competition policy the

pose a 30 per cent increase to £25m in the budget of our University Challenge Fund.

To encourage large companies to invest venture capital in innovative small companies we will tomorrow publish proposals for a new corporate tax incentive.

To ensure the necessary flow of finance to high-risk companies, I am allocating £20m for start-up funding for high-tech venture capital funds.

Fourth, a new competition policy for Britain.

The sharpest spur to enterprise, the ingredient too often missing in our country today, is competition ... And it is time for more competition and lower prices in basic essentials like the utilities, financial services, indeed the whole range of consumer goods.

I now turn to the rate and threshold for inheritance tax. The rate will be unchanged and fewer people will pay the tax as I raise the threshold by £3,000 to £231,000: 97 per cent of estates will now be exempt.

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Scientific innovation is a prime catalyst of growth ... The seedbed is basic science. I can announce a

whose growth will create the greatest number of new jobs.

This is the lowest starting rate for small businesses in the entire history of UK corporation tax.

Where we inherited business tax rates of 30p and 23p, the rates will now be 30p, 20p and 10p, and I give

our capital gains tax reforms re-

duce an open competition policy the

most open competition policy the

# more prosperous we will all be'

country has seen.

Fifth, to match our small business tax cuts with a new champion for small business in government, we will simplify help for small businesses and establish, for the first time in our country, a single Small Business Service, devoted entirely to the needs of small business.

This one-stop, open-door service - the Small Business Service - will have new resources to offer loan guarantees, support innovation, advise on electronic commerce and deliver, for the first time, an automated payroll service to help new small companies starting out...

Sixth, to open Britain's economy to the enterprise of all, we propose employee shares for all... Employees will be able, for the first time, to buy shares in their own companies from their pre-tax income. Every employer will be able to match, tax-free, what each employee buys.

This will be the most tax-advantaged all-employee share ownership scheme Britain has ever had...

Seventh: New targeted tax cuts and public investment to equip all our companies and all our people for the newest and most decisive economic challenge of the 21st century - mastering information technologies, from the PC to the Internet, from e-mail to e-commerce.

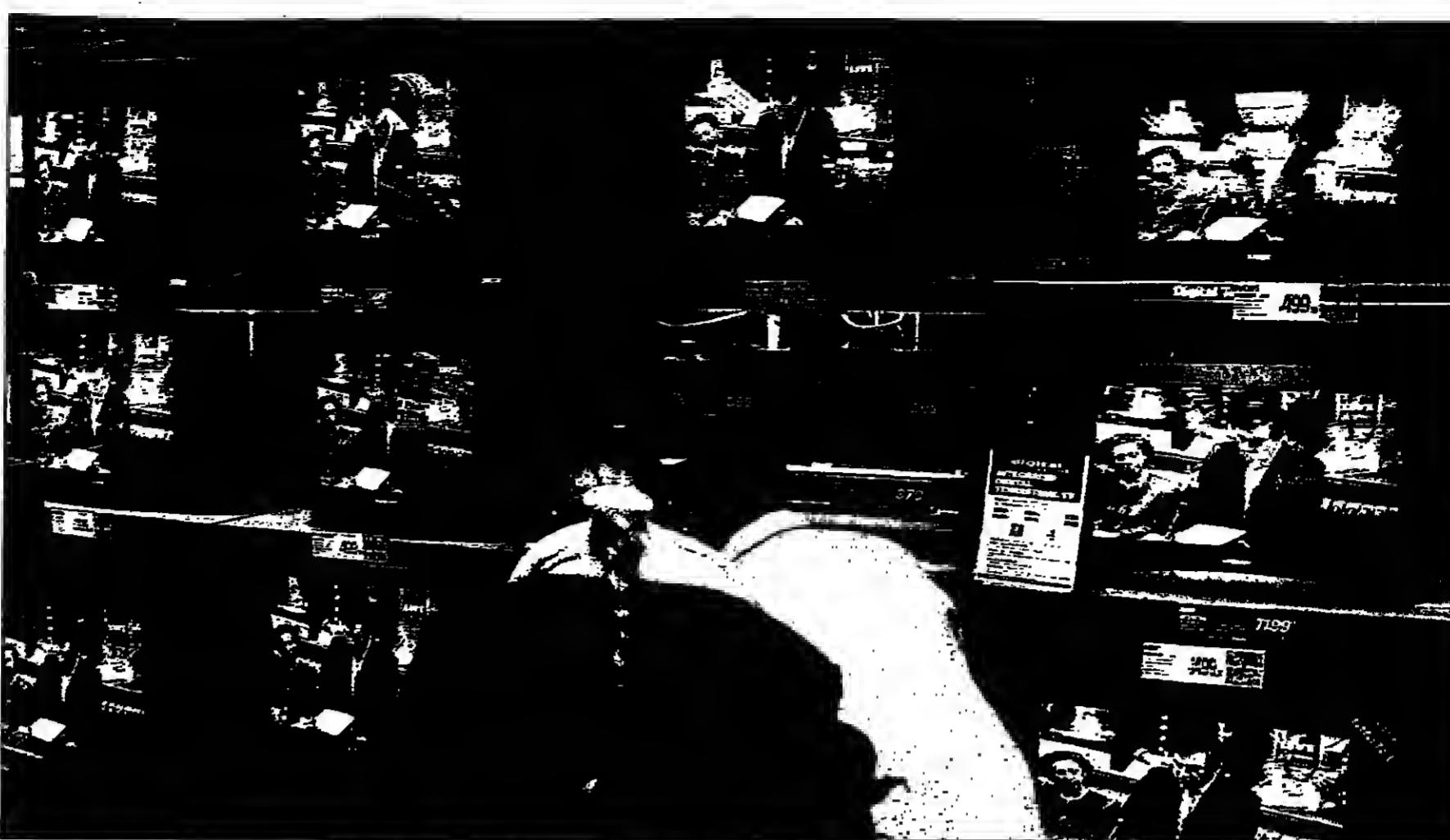
This industry is the great driver of world economic growth today. And Britain can no longer afford to lag behind America. So today, we allocate an additional £500m from our Capital Modernisation Fund to launch a £1.7bn computers-for-all initiative... Our target is a national network of 1,000 computer learning centres, one for every community in Britain. They will be in schools, colleges, libraries, in Internet cafes and on the high street...

Our targets for the new economy are ambitious. Within three years, 1 million small businesses able to benefit from e-commerce, 32,000 schools connected to the Internet, with 370,000 teachers computer-trained, new help worth £20m making it possible for more teachers to have computers for home use...

Anyone left out of the new knowledge revolution will be left behind in the new knowledge economy. So we will pioneer a system under which local partnerships will be able to loan computers and software in the new century the way local libraries have loaned books in the last century...

The tax system will offer further incentives to upgrade old skills and learn new ones. From this year, a million men and women will start to receive £150 to set up their own Individual Learning Accounts - putting the power to plan and prepare for their own careers in their own hands. In this Budget we expand Individual Learning Accounts and open up tax-free learning in computers, in basic skills and advanced skills, to millions more. We will legislate so that employers will be able to contribute tax-free to the new Individual Learning Accounts. Employees will also pay no tax on such payments...

And this Budget will go further; of



...new technologies and in renewable fuels.

In line with the fuel escalator first introduced by the previous government at 5 per cent above inflation and now 6 per cent, petrol duty will rise from 6p to 8p today.

Vehicle excise duty for smaller cars will, from 1 June this year, be cut by 2p - the first cut in the licence fee in 50 years. Other cars' rates are only increased in line with inflation.

I will freeze vehicle excise duties for 96 per cent of all lorries, and for lorries and buses with clean engines. I am cutting the licence fee by up to £1,000... I will maintain the favourable tax treatment for cleaner diesel...

Further, to reduce pollution, employees will from this year be able for the first time to secure tax-free the benefits from employer-run or employer-subsidised buses, car-sharing schemes and other environmentally friendly means of transport to work.

Last year we set up a new rural transport fund. To build on its success in extending the range of public transport services in rural communities we will now increase funding for the next two years by 20 per cent to £20m.

To reduce the amount of waste going to landfill, the landfill tax, £10 per tonne in 1999, will, in future, rise by £1 per tonne per year.

Taking into account all these tax changes and all the changes I have yet to announce there will be a net tax cut of £20m in this Budget.

## FAMILIES

CHILDREN ARE 20 per cent of the British people but 100 per cent of Britain's future. To build that future, this Budget provides a better deal for families and children...

For the last third of this century, families with children have been losers in the tax system. Their tax burden has risen by nearly 20 per cent under successive governments... It is time to reform the tax and benefit system to strengthen the family by putting children first.

What is today called the married couple's allowance is in fact neither restricted to marriage, nor is it strictly an allowance. It is in fact a tax credit paid at the same flat rate to married couples, single parents and unmarried parents living together...

We will replace the married couple's allowance with a new family tax cut that will increase the amount that goes to help families with children. This children's tax credit will give more - not less - help to families at the time they need it most, when they have their children and when their children are growing up.

Today's pensioner couples will retain the married couple's allowance. And couples without children or whose children have grown up will benefit from other changes...

The married couple's allowance is now worth £190 to married couples. The children's tax credit, the tax cut for families, to be introduced from April 2001, will be worth £416, and as a result the typical family will be over £220 a year better off... Under my proposals the tax burden on the typical family will fall to the lowest level for 25 years.

I will introduce similar improvements in income support and the working families tax credit. In the Budget last year I set down the two principles that govern my approach: that we must substantially increase support for families with children and we must do so in the fairest way. It is in fulfilment of these two principles that the children's tax credit will be tapered away for the higher earning family where there is a top-rate taxpayer. In the light of this reform,

my Budget decision is that child benefit will not be taxed for taxpayers on the basic rate - or the top rate.

When we came to power child benefit for the first child was £11.45 a week. Next month it will rise to £14.40 a week. It has risen by 25 per cent since we came to Government - an increase of £150 a year.

I now propose a further increase in child benefit, well above the rate of inflation. It will rise next April to £15 a week for the first child, £780 a year. I will also raise the rate for the second and further children to £10 a week. Support for children will be twice as high at the end of this Parliament as it was at the beginning. With the children's tax credit added to child benefit, families who were receiving £11 a week in 1997 for their first child will be receiving £23...

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Taking into account all these tax changes and all the changes I have yet to announce there will be a net tax cut of £20m in this Budget.

And this Budget will go further; of

maternity pay and to 18 weeks of maternity pay. This is family-friendly employment in action.

Every year a quarter of a million children, even at the minute they are born, are born into poverty. This too is wrong. Our Sure Start programme for the under threes, beginning next month, will ensure that the full resources of health visitors, primary care and schools are there to give every young child a better chance.

Today I can announce a new Sure Start maternity grant for the new born offering more help to parents in return for parents meeting their responsibilities. Help amounting to £200 will be conditional, linked to keeping appointments for child health advice and child health check-ups. When we came into power, one child in every three in our country was in poverty. With our measures today 700,000 children are being lifted out of poverty. Families with children are better off...

...that every charity, national and international, should be able to benefit from this new tax relief.

We propose in future for every

...a British citizen donates to any charity, the Government will contribute £20. Instead of charity seen in the old way, the rich bestowing favours on the poor, I want a democracy of giving, where all those who can, help all those who can't.

WORK

Most fundamentally the tax reforms of this Budget provide a better deal for the hard-working majority - a ladder of opportunity for those who want to work their way up... a fundamental guarantee that work will pay.

Our reforms in national insurance will give employers an overall tax cut of £2.5bn - an average of £130 per year per employee.

This April, as I implement the report by Martin Taylor, I am abolishing the perverse tax on work, the entry fee every employee has to pay to be part of the national insurance system.

From this tax cut on work worth over £1.4b a year, every one of 20 million employees will gain £90 a year.

Single pensioners will not pay any tax until they have an income of £2,720. Older pensioner couples who both use their personal allowances to the full will now not pay tax until they have incomes above £15,000...

In total, two-thirds of pensioners will not have to pay income tax.

And I have a further improvement, a tax cut for the elderly. I am announcing a reform that will ensure that a total of 7 million elderly men and women will now be outside the income tax system...

Single pensioners will not pay any tax until they have an income of £2,720. Older pensioner couples who both use their personal allowances to the full will now not pay tax until they have incomes above £15,000...

In total, two-thirds of pensioners will not have to pay income tax.

Taken together the measures I have already announced add up to an additional £2.5bn, a better deal for the elderly that makes the typical pensioner household £240 a year better off.

To help pay for this, from today the excise duty on tobacco will rise by the normal escalator, 5 per cent above inflation... I have decided to freeze the duty on spirits, on beer and on wine at its current level.

There will be no tax rise on alcohol this side of the millennium...

I have decided to make no change to stamp duty on property sales up to £250,000. For property sales above that, the rates will be raised by 0.5 per cent from next Tuesday. Ninety-six per cent of home sales are unaffected.

A Britain of strong families is also a Britain of strong communities. Each year 1.3 million people give of their time in voluntary work. Millions more give money to our national charities. The Prime Minister has rightly called for our age to become a 'giving age'.

I want us to mark the Millennium in the best way, by making the year 2000 the giving year. In the last Budget

we introduced Millennium Gift Aid. For every £100 a British citizen donates to Third World causes before the end of the year 2000, the Government will contribute £30...

Today in our consultation document on tax and charities, we propose extending the tax advantages of Millennium Gift Aid. We propose

...to extend to the self-employed, national insurance rights to the full maternity allowance. Again, to implement the recommendations of the Taylor report, we will align national insurance arrangements for the self-employed closer to those of employees: reducing the unfair entry fee from £6.35 a week to £2, and setting the class four threshold at the same point as the personal income tax allowance. But I will set contributions at ... 7 per cent in contrast with the 10 per cent employees pay.

Two hundred and thirty thousand young people are already benefiting from the New Deal. Now we must bring in those young unemployed who, for whatever reason, have yet to join. I say to them, this will be our New Deal for 1999: better provision but tougher conditions. Our responsibility is to offer training and intensive coaching. In return their responsibility is to come into the New Deal, get the skills and prepare to take up a job.

To help lone parents make the transition into jobs, benefits will continue when they first start work. For them and others, the working families tax credit will make work pay more than benefits.

I turn to the NHS: £2.1bn extra

...money is making possible the largest hospital building programme since the war. A £1.6bn investment in modern technology in the health service; the recruitment of 7,000 new doctors; 15,000 more nurses; and a fair pay award for nurses.

The Government's new programme, NHS Direct, is a proven success. And later this week the Secretary of State for Health will announce detailed proposals not only to extend it to all of the country by the end of next year, but to carry NHS Direct right into communities - with a network of health centres and drop-in centres where people can get immediate advice about treatment...

To enhance in every part of the United Kingdom the health care that people most urgently require we today make an additional and immediate cash allocation to be spent in the next 12 months, for the upgrading of every single accident and emergency unit which needs it.

For this and other improvements which the Secretaries of State for Health, and Scotland, Wales, and Northern Ireland will announce, I am providing for the NHS almost half a billion pounds of extra investment today. Throughout the public services, on top of the £2.1bn I have allocated to families and pensioners...

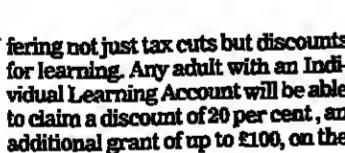
I have a final announcement. We promised to get inflation and interest rates under control, to sort out the public finances, to make this the Government of economic competence and we have. We promised to invest billions more in health and education and we have. We promised we would cut youth unemployment and we have.

And I can confirm to the House that, while rebuilding our public services, our prudence in office also enables us to hold to our pledge made at the election not to raise the basic rate of income tax.

In fact, to reward work and ensure working families are better off, I will match the new 10p starting rate of income tax this April with a cut from next April in the basic rate of income tax to 22p, the lowest basic rate of tax for 70 years - and under this government.

Today's Budget is a better deal for work, a better deal for the family, a better deal for business - for a Britain now united around values of fairness and enterprise, and I commend this Budget not just to the House but to the country.

The maximum small business



...not just tax cuts but discounts for learning. Any adult with an Individual Learning Account will be able to claim a discount of 20 per cent, an additional grant of up to £100, on the cost of their learning...

This century, Britain has achieved universal free education for children. This Budget introduces the opportunity for universal education at every age, lifelong learning so everyone will have the chance to succeed in the new economy.

AS BRITAIN works to lead in the new economy we must resolve to lead in respecting the environment. Our target is to reduce greenhouse emissions by 12.5 per cent by 2010. And today I will announce a programme of measures that will cut carbon pollution by 3 million tonnes.

My first proposal alone will reduce carbon pollution by 1.5 million tonnes... We will now... introduce a levy on business use of energy from April 2001. And it will be brought in, after further consultation with industry, on a revenue neutral basis, with no overall increase in the burden of taxation on business. Because we intend at the same time to cut the rate of employers' national insurance contributions from 12.2 per cent to 11.7 per cent.

We also intend to set significantly lower rates of tax for energy intensive sectors that improve their energy efficiency... We will also allocate an extra £50m to encourage business to invest in the new envi-

...rimental technologies and in renewable fuels.

In line with the fuel escalator first introduced by the previous government at 5 per cent above inflation and now 6 per cent, petrol duty will rise from 6p to 8p today.

Vehicle excise duty for smaller cars will, from 1 June this year, be cut by 2p - the first cut in the licence fee in 50 years. Other cars' rates are only increased in line with inflation.

I will freeze vehicle excise duties for 96 per cent of all lorries, and for lorries and buses with clean engines. I am cutting the licence fee by up to £1,000... I will maintain the favourable tax treatment for cleaner diesel...

Further, to reduce pollution, employees will from this year be able for the first time to secure tax-free the benefits from employer-run or employer-subsidised buses, car-sharing schemes and other environmentally friendly means of transport to work.

Last year we set up a new rural transport fund. To build on its success in extending the range of public transport services in rural communities we will now increase funding for the next two years by 20 per cent to £20m.

To reduce the amount of waste going to landfill, the landfill tax, £10 per tonne in 1999, will, in future, rise by £1 per tonne per year.

Taking into account all these tax changes and all the changes I have yet to announce there will be a net tax cut of £20m in this Budget.

And this Budget will go further; of

...new technologies and in renewable fuels.

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# Washing away the Opposition with a little Tax-and-Go

THE CHANCELLOR prides himself on his far-sighted prudence when it comes to the national finances. When it comes to reading matter, though, he needs things a little nearer if they are to be seen clearly. As he readied himself to give his Budget speech yesterday he heaved two thick green-bound volumes on to the dispatch box.

For a moment it looked terrifying as if his speech might run into next week, but then he laid a slimmer sheaf of papers on top. The books were merely a plinth, it turned out, not the text itself. Could he elevate the spirits of Labour MPs as easily, though?

The year above allowed Mr

Brown a large leeway to turn up the epic high style; he later promised that there would be "no tax rise on alcohol this side of the millennium", which sounds like an aeron of intoxication but actually means only 10 months, and he had begun his speech on an equally grandiose note. With "the last Budget of the twentieth century", he said, he would leave behind the sterile old conflict between governments of the left and right.

Just as some shampoo manufacturers promise you cleansing power and conditioner in one bottle, the Chancellor was proposing an all-in-one deal. One can almost imagine the next party political

broadcast. What? Take two parties into the next century when one will do? Not me. I use New Labour's Tax-and-Go.

And he felt confident enough about what he had to offer to Labour backbenchers to begin with wealth creation rather than social fairness. First of all he announced a variety of measures designed to encourage small business and discourage those Tories who had thought that he might be vulnerable on this issue. Indeed Mr Brown was positively teasing in his performance – playing with expectations in a way that echoed the successful misdirection over the right to roam announcement.

Tories cast down by the revelation that corporation tax was to be further decreased thought they had their first glimpse of light when the Chancellor turned to his levy on the business use of energy. Mr Brown allowed the weight of this new burden on business to rest decisively on their consciousness for a moment. Then, just as they were stumbling upright, he bowed them over again: "These increases will be revenue neutral" he declared triumphantly, announcing a cut in national insurance to offset the new burden.

Labour MPs crowed at the sly post-script, which became the model for all of the Chancellor's succeeding announcements. He allowed Tory hopes to rise only so that the fall would be more painful.

He was at his most feline when he came to the much-expected in-

roduction of a 10p rate of tax. Given that this could be introduced only when it was prudent, he said solemnly, it will not start in April 2000. Labour backbenchers sagged and Tories perked up.

And then, after a pause of malicious perfection, Mr Brown delivered the kicker: "It is prudent for taxpayers to get the benefit now!" Labour MPs waved their order papers with an unforced glee. It was hard to know what they relished more – the delivery of another Labour promise or the manner in which it had been rubbed into the Opposition's face.

A lone Tory voice ventured a desperate kamikaze attack – "Is that

it?" – generating a great guffaw from replete Labour backbenchers. It wasn't, because Mr Brown had one last afterthought, a promise that the basic rate of income tax would come down next year by a penny in the pound and the cue for a happy tumult from the Labour benches.

By the end of his speech he appeared to have taken from nobody and given to all – and all that Mr Hague could do was call in question this apparently magical levitation. He did pretty well in the circumstances but after a performance of such caty-brio he couldn't help but come across as the mouse that roared.

# Hague says taxes forced up by stealth

## OPPOSITION REACTION

WILLIAM HAGUE, in his response to the Budget, accused Gordon Brown of being the "pickpocket Chancellor", claiming he was forcing up taxes by stealth.

While Mr Brown had distributed a "few little goodies", he had already levied additional taxes of £1,500 for every taxpayer in the country in the current year.

Opening the Budget debate, Mr Hague attacked the Chancellor for "persecuting motorists" and having failed to mention the decline in the savings ratio altogether.

"He is the pickpocket Chancellor, who shakes your hand with a smile after he has stealthily removed your wallet."

While Mr Hague welcomed measures such as the reduction in the standard rate of income tax, he said Mr Brown had passed over "more quickly"

£5.4bn, earlier decisions on the married couple's allowance of £1bn, increases in petrol duty of £1.4bn."

The tax burden had been raised by £80m in Mr Brown's first year as Chancellor and £7.9bn in his second.

Mr Hague scorned the Chancellor's claim that the Budget was good for families, saying: "It is good for families who don't have a mortgage, who aren't married, who don't run a car, who don't smoke, who don't save for a pension."

"For a family like that it's fine! There may even be a family like that somewhere in the country. Sounds suspiciously like you, to me!"

Mr Hague said any "seemingly nondescript sentence" within today's Budget could mean a clobbering for people anywhere in the country.

"You are not only an expert on stealth taxes, you are an expert on giving a stealth speech. As we already know, this is a government that says one thing and does another, that takes a pound and gives a few pennies back, that cannot be trusted to be straight, even on Budget Day."

Behind the statistics of an economic slowdown, there were families under pressure, businesses struggling in a manufacturing sector which were further hit by the Chancellor's announcements.

While Mr Hague welcomed reduced tax rates for cars with low-emission engines, he attacked petrol-duty increases, adding: "The Government have taken their persecution of the motorist too far and their damage to the haulage industry too far."

He went on: "Few people will be aware that after today's budget about 85 per cent of the price of petrol will be tax."

Accusing the Chancellor of "missing opportunities" in the Budget, the Tory leader told Mr Brown his attempts to increase taxes by stealth would be uncovered by people in the "real world". You should have been attacking the forest of regulation that is strangling business, but you didn't.

"You should have given a clear signal that the tax system will support marriage, but you didn't. You should have cut fuel

costs for the road-haulage industry, but you didn't."

"Instead of raising taxes by stealth you should have started to introduce some honesty into the tax system, but you didn't. You should have tackled the runaway welfare spending, but you didn't. You should have set out a programme to lower the tax burden but he is continuing to increase the tax



William Hague (left), who derided Gordon Brown as the 'pickpocket Chancellor', and Paddy Ashdown, who detected a certain plagiarism

burden on all of those issues. You had the opportunity to act and you have failed to do so," Mr Hague said.

His concerns were echoed by Paddy Ashdown, the Liberal Democrat leader, who said the Chancellor could have done more "big things" in the Budget but had decided instead "to follow a scatter-gum approach and do a number of smaller things". Mr

Brown had mounted a "selective smash-and-grab raid" on Liberal Democrat ideas, but the Budget did less than it could have done to tackle poverty. Over this Parliament the Government would have invested less in health and education than the Tories originally intended, he added. "If I sound grumpy it is because I frankly admit it is extremely frustrat-

ing to hear someone else singing snatches of our song but doing it so completely out of tune."

Derek Foster, Labour MP for Bishop Auckland, said he would be "torn to pieces" by his mainly rural constituents over the increase in petrol taxes. Accusing the Government of neglecting the rural areas, he told Mr Brown: "It is the working poor

that care about the rich in the rural areas can care about themselves. You cannot make work pay if you price the work

paying poor out of their car, because we do not have buses, we do not have trains. All they have got to get to work is their car ... we are not making work pay; we are doing the opposite."

SARAH SCHAEFER  
Political Reporter



# Red Gordon and the Iron Chancellor sit happily together

"REDISTRIBUTION BY stealth" is a phrase that entered the Treasury lexicon in the run-up to the Budget. Although the slogan was not intended for public use, it will enter the political bloodstream.

Such talk does not go down well in Tony Blair's inner circle, which would prefer that Gordon Brown stuck to his City image as the "Iron Chancellor" rather than playing his role as "Red Gordon" in front of the Labour Party gallery.

Yesterday Mr Brown sought to play both parts at once but Mr Blair was happy enough. He calculated that next year's surprise 1p off the basic rate of tax, plus the 1p bottom rate, which starts next month,

would be the best antidote to the Tory attack on Labour's "stealth taxes".

William Hague is convinced the voters will rumble the Chancellor once the initial gloss of yesterday's package wears off. But Mr Brown and Mr Blair believe their trump is that the pain they inflict on the well-off will be alleviated by falling interest rates, which have saved the homeowner 2900 a year on average mortgage payments.

Mr Blair paid a generous tribute when the Cabinet was given a pre-view of the Budget, describing it as "radical and imaginative". Indeed, Mr Blair believes Mr Brown has not got full credit for his stewardship of

the economy. Mr Blair thinks the Chancellor has laid such firm foundations that it will be difficult for the Tories to dent Labour's reputation for economic competence before the next general election.

The ecstatic reception from Labour MPs last night will also have cheered Mr Brown.

"Gordon wants to get the credit with the Labour Party because he is still desperate to be leader," one minister close to Mr Blair said.

Mr Brown is probably the most powerful Chancellor we have had for a long time, yet even his friends admit he can seem remarkably insecure.

His enemies attribute this to his

shattered ambition in 1994, when John Smith died and Mr Blair, the junior partner in the Brown-Blair axis, inherited the crown. The Chancellor is stubborn. He

does not like to change course, or admit he has been proved wrong. He ploughed on with his working families tax credit – even when alarm bells rang in Downing Street about the cost.

Mr Brown saw no need for last month's high-profile statement by Mr Blair unveiling the national changeover plan to prepare Britain for the single currency. The two men have reversed roles on the euro; Mr Brown used to be more gung-ho, and Mr Blair more cautious.

"He just wants to get on with running the economy now, the euro is a bit of a distraction," said one Labour ally.

Mr Brown has had an unhappy

few months. The death of his father, which hit him hard, was followed quickly over Christmas by the resignation of two of his inner circle, the Treasury minister Geoffrey Robinson and Charlie Whelan, his press secretary, in the crisis which also claimed the scalp of Peter Mandelson, a friend turned foe of Mr Brown.

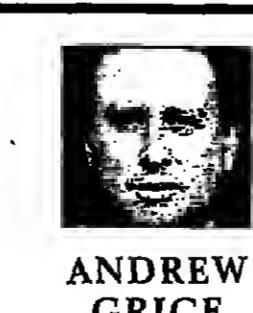
But allies insist the Chancellor has recovered from the setbacks, and that his girlfriend, Sarah Macaulay, has been a "rock" during the troubled times. "He is relaxed and enjoying life again," said one ally on the Labour back benches.

Despite Mr Blair's praise, the tension between their camps re-

main barely beneath the surface. One Blairite said: "It was worth losing Peter Mandelson in order to get rid of Charlie Whelan, because Peter will come back and Charlie won't."

The Blairites sometimes wonder whether the Chancellor has a fatal flaw stemming from his haunting fear that he will miss out on becoming prime minister. Mr Brown's supporters believe yesterday's clever package will enhance his prospects of winning the big prize. And yet Mr Blair no longer believes it is inevitable that Mr Brown will be the man who succeeds him.

ANDREW GRICE  
Political Editor



ANDREW  
GRICE

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THE ARTS

# Heads can buy 10m new schoolbooks

HEADTEACHERS WILL be able to buy 10 million books under a £50m drive to fill school libraries. Under the scheme announced by the Chancellor yesterday, every school in England will be given £2,000 - Scotland, Wales and Northern Ireland all hold their own education budgets.

Gordon Brown also promised increased investment in school buildings, on top of the £190m for education already announced as part of the Government's comprehensive spending review last year.

Universities received extra

funds, too. Mr Brown announced a £100m increase in spending on university science laboratories and a 30 per cent increase in the University Challenge Fund, which was set up to encourage academics to develop the commercial potential of their research.

David Blunkett, the Secretary of State for Education, said the extra spending on books "will be a big boost to school libraries in the National Year of Reading. It will be a very valuable extra resource for teachers and pupils across England."

Teachers' leaders immedi-

ately welcomed the extra cash, an echo of last year's spring windfall, which gave all English schools £1,000 for textbooks.

Doug McAvoy, general secretary of the National Union of Teachers, said: "The investment in books will help reduce some of the shortfalls, particularly in primary schools." He also said the continued investment in our school buildings would help to rid the country of crumbling schools.

Graham Lane, who chairs the Local Government Association's education committee, said: "The book allowance will

be very welcome, particularly in small primary schools in rural areas. It will almost double their book allowance at a time when they might have had to cut it right back to pay for teachers' pay rises."

He also particularly welcomed the extra £100m for computers for inner city schools.

But Don Foster, the Liberal Democrat education spokesman, accused the Government of being "limited and timid." "The welcome extra cash for

£20m start-up funding throughout the country to ensure the necessary flow of finance into high-risk companies.

Academics welcomed the extra support for science research. David Triesman, general secretary of the Association of University Teachers, said: "Decades of funding cuts had shackled our research. This announcement is a real boost to recovery."

Ministers committed themselves last July to spending £150m on schools, colleges and universities over the next three years, the biggest single in-

vestment in education. They will spend £2.9bn extra in the first year, £6.6bn in the second and £9.7bn in the third to honour the Prime Minister's promise to spend more of the nation's wealth on education.

The money will help to fulfil a government pledge to bring infant class sizes down to a maximum of 30 by 2001. There will be funds to raise standards in schools through daily literacy and numeracy hours in primary schools and training for all teachers on the best way to teach the basics.

Capital spending on schools

will double over the course of this Parliament - more than a million children are still taught in classrooms built before the First World War.

Students numbers will rise by 500,000 from the present 5 million in full-and part-time study. Most of the extra students will be in further education colleges.

Overall, the proportion of national wealth spent on education will rise to 3 per cent by 2001-02, compared with 2.9 per cent in 1998-99.

BEN RUSSELL AND JUDITH JUDD

## £430m will help rebuild crumbling hospitals

### THE NHS

THE CRUMBLING buildings and Victorian ward blocks of the NHS persuaded the Chancellor to open his wallet for the second time in less than a year. He announced an extra £430m to modernise accident and emergency departments and improve GP surgeries.

The sum, to be paid over three years, is in addition to the 50 per cent increase in capital investment in NHS buildings and equipment announced as part of the comprehensive spending review in July. On that occasion Gordon Brown said half the beds in NHS hospitals were in accommodation built before the First World War and three-quarters of ward blocks were hand-me-downs as he announced a 66 per cent increase in the Treasury's contribution from £1.2bn to almost £2bn over the three years.

Yesterday he topped that increase with an additional £120m for the UK next year, representing the first instalment of the £430m. However, this time the cash is to be spent on the NHS's two front doors - casualty departments and GP surgeries. The money will be used to "upgrade every single accident and emergency department which needs it in every part of the country", Mr Brown said. That follows hard on the heels of the £33m allocated by the Department of Health for the same purpose only last month.

It will also be used - although how the £120m was to be divided was unclear last night - to upgrade GP surgeries, some of which have not come far since they were described 20 years ago by a former health secretary as "like gangers' huts under the railway arches".

The NHS Confederation, representing health authorities and trusts, said the boost to capital spending represented a 10 per cent increase in the contribution from the Treasury

AN EXTRA £170m will provide thousands of surveillance cameras and new crime prevention measures on problem housing estates and policing "hot spot" zones.

The decision to fund more closed-circuit television camera systems linked to police stations continues the Government's love affair with CCTV, which has been credited with reducing crime rates in city centres and on council estates.

About £25m will be spent on new CCTV systems, enough to buy 20,000 cameras. As well as crime-ridden estates and shop-

ping centres, cameras will be fitted in car parks in an attempt to help the Government meet its pledge to reduce vehicle crime by 30 per cent in the next five years.

The Home Office said the money amounted to nearly £30m a year for CCTV schemes - compared with £15m spent between 1997-98.

A Home Office spokesman said: "CCTV has proved to be a useful deterrent to criminals and prevents crime. It is also a useful tool to the police for investigating crime and it leads to safer and more reliable con-

ditions. There are dozens of examples of where CCTV has proved to work."

The widespread use of CCTV, however, is not without its critics, with some criminologists arguing that the devices merely displace crime to unmonitored nearby areas. Civil liberty groups have also raised concerns about a "big brother" society.

Yesterday's money will be split between the Home Office and the Department for the En-

vironment, Transport and the Regions, and will be directed at high-crime areas.

About half the money will go towards crime prevention improvements to housing stock, with initiatives such as improved lighting, alarms, spy holes, landscaping, and providing facilities for young people.

Partnerships of local authorities and police forces will be invited to bid for a share of the money, which will be

placed in a "challenge fund" to support both big and small local initiatives.

The Chancellor said that the Government would be allocating money for crime prevention in areas where crime is highest.

More details of how the funds will be allocated are due to be announced by Jack Straw, the Home Secretary, later this month.

The £170m is in addition to £250m already pledged to help the country's 30 worst crime areas, which will be identified next month. Police officers will

JASON BENNETT  
Crime Correspondent

## Film-makers delighted by tax breaks

### THE ARTS

THE GOVERNMENT has extended its scheme of tax breaks for new films made in Britain until 2002.

The scheme for 100 per cent tax write-off on production bills was announced in 1997 and was extended last year until 2000. Yesterday's announcement adds a further two years.

Without changing the details of the scheme, it does show the Government's continuing commitment to expanding and strengthening the British film industry. It was also the only arts measure announced in the Budget.

The £20m tax breaks scheme allows the production costs of British films with budgets of £15m or less to be written off when the film is completed.

The film industry asked for the measure so that it could plan ahead. The details of the scheme were put forward to the

Government by its film policy review group.

Janet Anderson, the Films minister, yesterday welcomed the Chancellor's extension of the scheme which she said was now proven to encourage investment.

"This will give a boost to the British film industry and is in addition to the £145m my department [Culture, Media and Sport] is spending on film in the next three years," she said.

The definition of what constitutes a British film will soon be adjusted to take account of the growing number of international co-productions that bring investment to Britain.

A British Film Institute spokeswoman said last night: "The BFI welcomes any initiative which helps to foster and expand the range of new film production in the UK."

The tax breaks for British films were introduced as part



British films can build on the success of 'The Full Monty' with further tax breaks

of a strategy by Chris Smith, Secretary of State for Culture, Media and Sport, to increase the number of films made in Britain and to double the percentage of the audience watching British films. The Government also wanted to

put a brake on film-makers shooting in Ireland, where tax incentives have long been on offer.

The tax breaks scheme has

made raising funds for British films a lot easier. Mr Smith has described the scheme as "a

really significant step in getting more British films made and in attracting more overseas film makers here to use our facilities and our craftsmen and actors, who are the best in the world".

DAVID LISTER  
Arts News Editor

NORTHERN IRELAND, Scotland and Wales were all given substantial sums for capital investment as the Chancellor sent them off to devolution with a flourish.

Scotland was the biggest winner, with £165m for key commitments to modernise health and education and cut crime across the country. Donald Dewar, the Secretary of State for Scotland, announced that £37m of the money would be directed to National Health Service buildings, equipment and new technology.

Mr Dewar added that education would receive an extra £44m over the next three years to develop computer tuition and provide schools with new books. The cash will be spent on information and communications technology network linking all schools and other learning centres. To back up the new technology, £5.4m will be targeted specifically on books, the equivalent of £6 for every pupil in Scotland.

An additional £13m over the

next three years will be directed to councils, police and other agencies to tackle Scotland's drug abuse problems and domestic violence.

"Today's announcement, together with last year's Budget, will benefit Scottish pupils, parents and pensioners by almost £2bn, giving real help to those who need it most," Mr Dewar said.

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PAUL WAUGH  
Political Correspondent

## Scotland is winner in devolution handout

### THE REGIONS

of State for Northern Ireland, said that the cash would deliver major improvements in the province's vital services. "The extra money will be used to invest in innovative capital projects at the heart of the Government's priorities," she said.

Accident and emergency services and primary health care, computerised learning centres and local police forces will all receive new funds.

This year will be the last for which Westminster will have such detailed control over the spending of the three countries since the Welsh Assembly and Scottish Parliament start work in May and the Northern Ireland Assembly assumes its powers later in the year.

The Government hopes that the Belfast Assembly will be up and running by the summer, but the continuing deadlock over decommissioning of weapons means that the start-up date is uncertain.

Mo Mowlam, the Secretary

# Brown's modest giveaway no threat to sound financial management

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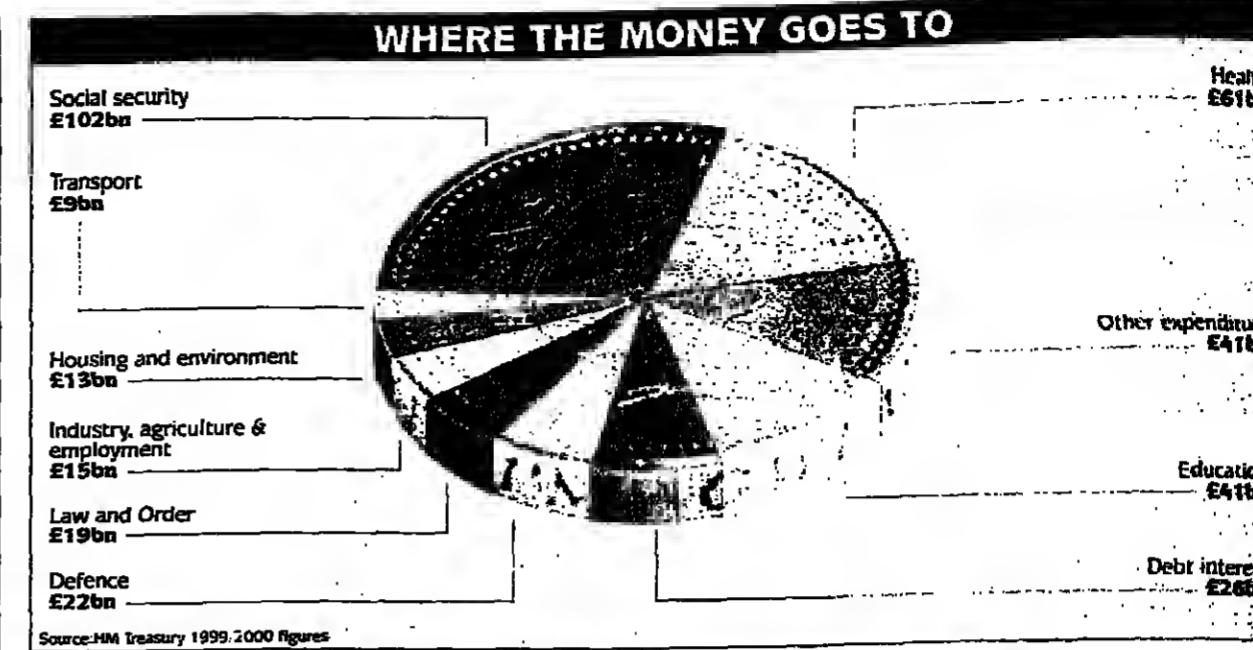
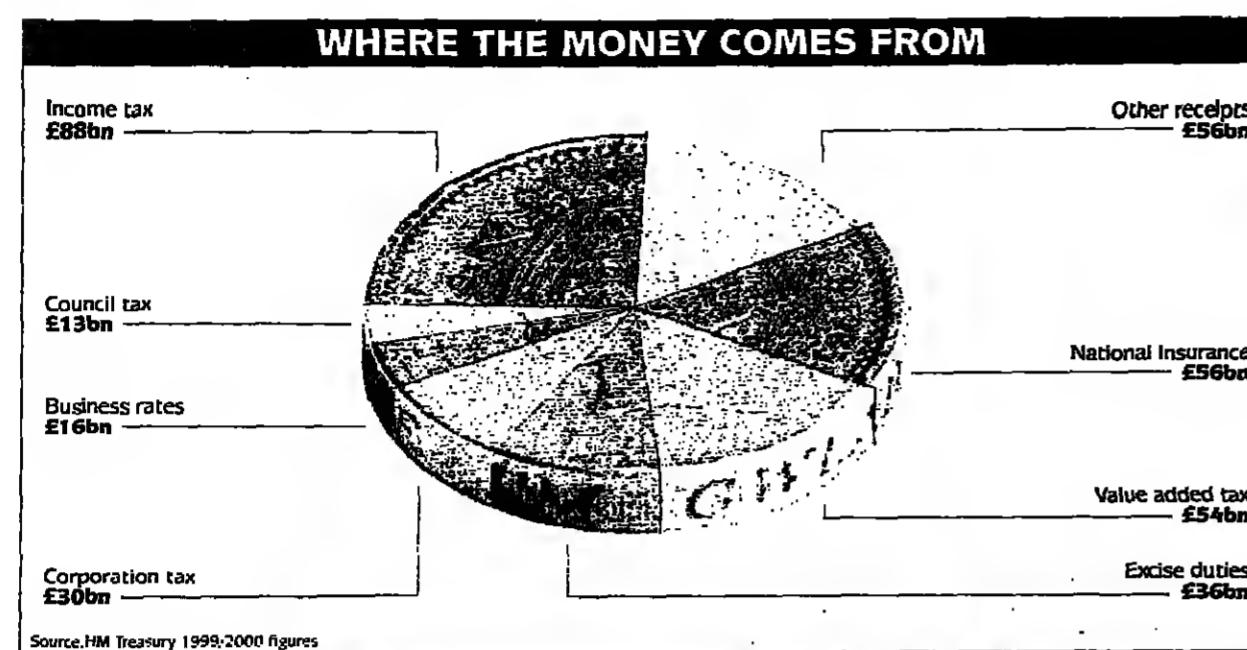
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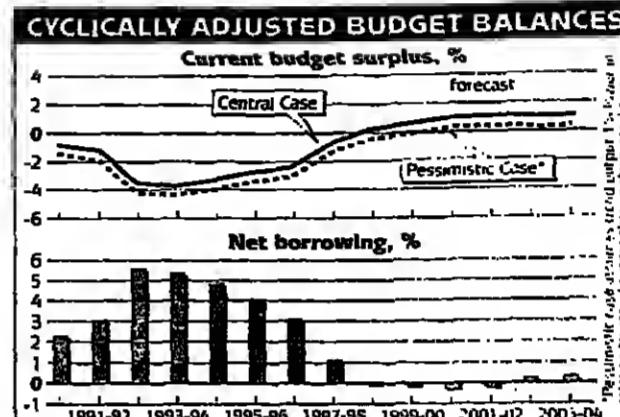
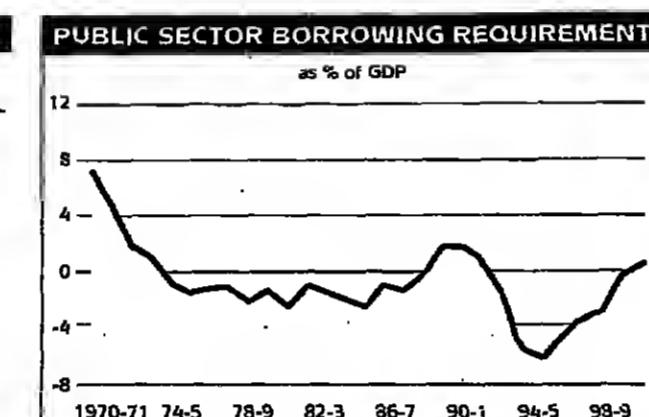
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**THE BUDGET ARITHMETIC**

	£ billion	Outturn 97-98	Forecast 98-99	Forecast 99-00
Current receipts	315.7	334.2	335	
Current expenditure	304.3	313.5	329	
Depreciation	14.0	14.6	15	
Surplus on current budget*	-5.1	4.1	2	
Net investment	4.0	3.4	5	
Public sector net borrowing*	9.1	-1.0	3	
Public sector net borrowing as % of GDP*	1.1	-0.1	0.3	

\*Excluding windfall tax receipts and associated spending



PREDICTING WHAT will happen to the difference between the Government's revenues and its expenditure is fraught with difficulty. A small change in the growth rate or a small mistake in judgement about where the economy stands relative to its potential can make a difference of tens of billions of pounds on each side of the accounts.

It is little wonder that the average error in forecasting next year's deficit is £10bn. Any assessment of the Treasury's new forecasts for the public finances has to bear in mind these huge uncertainties.

To complicate matters, presentation of the public finances has changed dramatically in the past 12 months. Some important definitions have changed and a new set of national accounts data published last summer has made comparisons with previous budgets complex.

Even so, it is clear that Mr Brown is starting from a far better position than he expected in November's Pre-Budget Report. It has paved the way for a mildly expansionary Budget rather than the strictly neutral one many City analysts had expected.

Tax revenues have come in ahead of the Treasury's cautious forecasts. Lower interest rates have also cut the Government's debt repayments.

In his speech yesterday, the

Chancellor boasted: "Britain's fiscal position is not only sound today but on the soundest possible footing for the future." The net £6bn giveaway over three years, in tax cuts and increased spending announced yesterday, will be paid for by a combination of higher borrowing and savings on interest payments. In addition, of course, some groups of people are tax winners and some tax losers.

The overall tax burden is forecast to decline slightly as a share of GDP, dropping to 36.6 per cent next financial year, having risen from 35.4 per cent in the year before Labour took office to 37.2 per cent last year.

Tax increases announced in

previous budgets, including the abolition of profit-related pay, of advance corporation tax, with the fuel and tobacco escalators, explain the step up in the tax burden compared with the early Nineties.

They were needed to repair the damage to the public finances caused by recession and ill-judged tax cuts. They will pay for the 3 per cent a year real-term increase in spending on public services over the next three years.

The Budget Red Book now publishes predictions for three measures. The City focuses on the Public Sector Net Cash Requirement (PSNCR), equivalent of the old PSBR (Public

Sector Borrowing Requirement). Yesterday's statement put this in surplus by £5.2bn in the current financial year, compared to the £2.8bn (excluding windfall tax) predicted in November. The figure for next year is £4.5bn in deficit, rather than the earlier forecast of £2bn. This difference, with its immediate implications for the Government's funding needs, sent a shockwave around the gilt market yesterday.

However, two other measures are now given greater prominence because they are needed to assess whether the Chancellor is meeting the two rules for sound finance set out in the Code for Fiscal Stability.

The Office for National Statistics is working on producing these monthly, rather than quarterly as at present.

The current budget surplus is put at £4.1bn this year (compared with the £5.5bn predicted in November) and £2bn in 1999-2000 (up from £1bn).

The Red Book predicts a gently rising surplus up to £1bn in 2003-04.

The net borrowing figure shows a repayment of £1bn this year, and a small deficit of £2bn next year. Continuing small amounts of borrowing keep the net debt ratio stable at just below 40 per cent of GDP.

If the forecasts are correct, Mr Brown will comfortably meet his two rules, and satisfy the

Maastricht criteria for members of the single European currency. Even if the economy turns out much weaker, many experts think the public finances will remain in decent shape.

"I give them real credit for controlling public spending so tightly. That is what has put them in such a happy position," said Roger Bootle, managing director of Capital Economics.

Others were less impressed. "This is definitely a fiscal relaxation," said Steven Bell at Deutsche Bank.

The Treasury has taken a cautious approach. The Red Book bases the main forecasts on GDP growth of 1 per cent in 1999, the bottom of the range.

For the first time, too, social security spending forecasts are based on an assumption derived from outside forecasts that unemployment will rise slightly. If growth is closer to the 0.8 per cent average of other forecasts, it could throw out the current budget figure by another £2bn or so this year. But as this would be due to the economic downturn, it would fall within the "over a business cycle" definition of the rule and could be recouped later.

Even if the Treasury's forecasts do fall victim to slow growth or to the other uncertainties that can so easily hit tax and spending, the public finances are undoubtedly on a much sounder footing than at any time in recent memory. The City gives the Chancellor full credit for this.

The big investors have a lot of trust in Gordon Brown. If he were to leave the Treasury for any reason, that trust would change," said David Owen, an economist at Dresdner Kleinwort Benson.

For a Labour Chancellor to have won over anybody in the financial markets at the same time as winning plaudits for tax cuts and redistribution is an achievement that would have seemed impossible just a few years ago.

DIANE COYLE  
Economics Editor

## Chancellor stands by upbeat view on growth

### ECONOMIC FORECASTS

**BUDGET FORECASTS**

% changes	What happened in 1998	Forecast for 1999	Forecast for 2000	Forecast for 2001
<b>GROSS DOMESTIC PRODUCT</b>	2.25	1.15	2.25-2.75	2.75-3.25
<b>DOMESTIC DEMAND</b>	3.25	2.25	2.25-3	2.75-3.25
of which				
Household consumption	2.75	2.25	2.5-3	2.75-3.25
Fixed investment	8	2.25	2.75-3.25	3.5-4
Government consumption	1.5	3	2.25	2
Change in inventories	0.25	-0.25	-0.25-0	0-0.25
<b>TRADE</b>	2.75	0.25-0.75	4.5-5	6-6.25
Exports	7.75	3.75-4.25	4.5-5	5.5-6
Imports				
<b>RPI</b>	2.5	2.5	2.5	2.5
excluding mortgage payments				
<b>BALANCE OF PAYMENTS £ billion</b>	-2.25	-10	-10.5	-10.25
<b>PUBLIC SECTOR NET BORROWING £ billion</b>	9.1	-1.0	3	3

\*excluding windfall tax

GORDON BROWN yesterday reaffirmed the controversial growth forecasts he made in November, predicting that Britain would suffer a mild economic slowdown this year before bouncing back strongly next year.

According to the Chancellor, the UK will grow at between one and 1.5 per cent this year – more than forecast by both the City and the Bank of England – and at between 2.5 and 2.75 per cent next year. In 2001, the economy will expand by as much as 3.25 per cent, he said, considerably faster than its long-term trend rate.

Independent economists were divided over Mr Brown's forecasts. Many argued that the Bank of England's recent string of aggressive interest-rate cuts made it more likely that he would hit his growth targets.

"His forecasts don't seem out of line with reality," said Ian Stewart, UK economist at Merrill Lynch. Others noted that recent signs of economic improvement – such as Monday's news of a rise in manufacturing output – seemed to support Mr Brown's optimism.

Other analysts, however, called the Government's forecasts unrealistic. Even the Treasury's most pessimistic estimate for 1999 growth – one per cent – is almost double the consensus City forecast of 0.6 per cent. It is also at the top end of the Bank of England's expectations. In its last economic forecast in February, the Bank predicted 1999 growth would slow to between 0.5 and one per cent.

Mark Wall of Deutsche Bank, which is among the most pessimistic of City forecasters, said: "He may be selling the

public short by offering these figures. To get one per cent growth out of this economy would be miraculous."

Mr Wall believes that growth will stall this year and that the economy will suffer a short recession in the first six months of 1999 before bouncing back in the final quarter of the year.

In common with many other

forecasters, the Chancellor believes that recent rises in business inventories present a significant downside risk to growth. The latest Treasury predictions are that the running down of company stocks will knock as much as 0.25 per cent from economic growth both in 1998 and in 2000.

Also common with other forecasters, the Chancellor believes that recent rises in business inventories present a significant downside risk to growth. The latest Treasury predictions are that the running down of company stocks will knock as much as 0.25 per cent from economic growth both in 1998 and in 2000.

On household consumption, the Chancellor is predicting a growth rate of between two and 2.5 per cent this year compared with the City consensus of 1.5 per cent. On fixed investment, Mr Brown is arguing that the growth rate will be between two and 2.5 per cent this year – more than double the

City forecast.



## Well-meaning, but gimmicks don't help entrepreneurs

JUDGING BY the "enterprise" word count in yesterday's Budget, this should have been a package of measures fair to make the businessman's heartbeat race with excitement. I counted eight uses of the word in the first four minutes of the speech alone. So was this the promised Budget for enterprise, a Budget that will allow Britain to "succeed in the new economy and lead in the new century"?

Not really, is probably the fairest judgement, although neither can the Chancellor be faulted for lack of enthusiasm. He went at it hammer and tongs, and what with all the stuff about electronic commerce, the Internet and building the high-tech companies of the future, at least he demonstrated in a breathless sort of way a willingness to try. Unfortunately, the substance fell a long way short of the rhetoric.

Let us start with the really negative bits. Gordon Brown was particularly disingenuous when presenting the intention to reduce national insurance contributions

as a tax cut for business. Sure, he will be cutting the level of employer contribution, but to a level which is higher than the one he inherited from the last government.

And for next tax year, the higher rate will rule, with the new lower level not kicking in until the next century. National insurance is a payroll tax, so it hits service industry employers, whose main cost is labour, particularly hard. Such companies will have difficulty taking advantage of the extra capital allowances for small to medium-sized companies announced in yesterday's Budget. This from a Chancellor who wants to encourage people-based Internet companies.

Shame on you, Mr Brown. The measures to encourage employee share ownership seem to be reasonable enough - buy one, get one free - and allowing employees to make such purchases out of gross income was an added bonus. However, for most earners it will continue to make more sense to top up the pension

scheme out of gross income than to take the risk of investing in the company they work for.

As for the enterprise management incentive scheme, this is just an ill-thought-out gimmick. Nobody is going to quit a highly paid job in a secure organisation and take a high-risk enterprise for this. The manager who does so will still be tax disadvantaged against the owner-proprietor, one of the many examples in this Budget of how Mr Brown's desire to please has served only to make matters more complex and confusing.

There are measures, for instance, to allow employees to take home their companies' cast-off personal computers without being taxed for them if they were a benefit. What the Chancellor gives, he takes away again. Other benefits in kind will fall subject to national insurance for the first time.

As for the new 10 per cent corporation tax starting rate for companies earning profits of less than £50,000, this, on close inspection of

its way. Unfortunately, very few politicians seem prepared to abide by this principle. Instead of dismantling the paraphernalia of law, regulation and state that stands in the way of the efficient operation of the free market, they seem only to want to add to it, certain in their conviction that by meddling they can somehow improve the lot of the small businessman and entrepreneur, as well as the wider prosperity of the economy.

There is no more passionate belief in the need to meddle than the present Chancellor of the Exchequer. Having in his first year at No 11 established some of the building blocks for a stable and prosperous economy - including an independently determined monetary policy and a rigid set of rules to keep the public finances on the straight and narrow - there came the question of what next.

Mr Brown proclaimed this task as that of tackling the productivity gap between the United Kingdom and its major competitors. He

wants to dismantle the cartels and promote competition, to modernise our workforce through training and education, and above all to promote high-tech small business and entrepreneurship as the road to salvation.

Few people would contest the mission statement. The implementation is another matter altogether and it is hard to see how the meddling announced in yesterday's Budget is going to add much to the party.

On the other hand, the Chancellor continues to get it about right with the big numbers. There is a mild fiscal stimulus - amounting to £8bn over three years - with the whole of that benefit directed at the less well off. Perhaps surprisingly, Mr Brown does not appear to be hitting the better off to pay for this limited degree of wealth distribution.

The money is found courtesy of the present very healthy state of the public finances, as is the extra for government spending. To make

the figures add up, however, the Chancellor is being forced to make some very optimistic assumptions about the outlook for the economy.

So far he has been lucky on this front. Although the economy has not performed as well as hoped, the public finances have, with tax receipts coming in higher than expected and spending lower. As all former chancellors know, that kind of luck does not go on for ever.

Even so, there is no reason to start worrying unduly about the macro economy quite yet. The biggest gift that Mr Brown has so far bestowed on British business has nothing to do with the gimmickry of yesterday's Budget. Rather, it is in the stability that sound public finances and low inflation are at last bringing to the British economy.

Unfortunately for Mr Brown, for this to pay dividends in terms of the enterprise culture he strives for is going to take time, patience and a Government that stays out of everyone's hair.



JEREMY  
WARNER

the documents, appears to be just an outright fib. In fact, the 10 per cent rate applies only to the first £10,000 of profit. The other cuts in the rate of corporation tax, to 20 and 30 per cent depending on size, do not even go half way to compensating for the extra tax and benefit burden that business will bear as a result of the already announced changes to the system of advance corporation tax.

It is an old, but important truism: governments do most for business simply by staying out of



The Chancellor was still on his feet when the London Stock Exchange closed yesterday, but City reaction so far has been positive

### CITY REACTION

THE CHANCELLOR won plaudits in the City yesterday for a debt budget presentation which conveyed the impression that he was giving away more than he actually did.

Stephen Bell, chief economist at Deutsche Bank, said:

"We are used to chancellors and finance ministers standing up and pretending to be prudent when they are being profligate. Gordon Brown has done the opposite and succeeded in appearing to be profligate when he is not."

He pointed out that, of the £2bn being given away in tax cuts, the vast majority is being clawed back elsewhere.

The real giveaway does not kick in until 2001 - the probable year of the next general election.

The headline figures showed £1bn being injected into the economy in 1999, with a further £1.4bn next year.

The City had generally expected this year's budget to be neutral or mildly expansionist overall and by all accounts that was what it got.

"It was a very good presentation," Mr Bell said, adding: "None of the cheap wiscracks, a clever use of quotations from the Opposition, and then coming back after he had apparently dealt with income tax with the 1p cut next year. It was the performance of a man who feels on top of his job."

The Chancellor's attempts to appear both generous and prudent at the same time did cause

some initial confusion in the City.

While the stock market rose, the gilt market saw some selling.

The FTSE 100 index closed

up 28.9 points at 6,237.7, although, with the Chancellor still on his feet at 4.30pm, when the stock market closed, the full reaction will not be seen until share trading resumes today.

City observers said that the tax cuts, particularly for the lower-paid and middle-income families, would help to get reticent shoppers back into spending mood - good news for the hard-pressed retail sector and for consumer goods companies generally.

However, the water companies and BAA, the airports operator, saw their shares fall following the announcement that the new, tougher Office of Fair Trading is to investigate charges in those industries.

Mike Grimble, economist at Norwich Union, the insurance group, said: "It looks as though he has found a way to put a bit more into the economy, which is what you need - and there is a longer-term feel to it, too."

"There is enough in this to keep the economy ticking over. More money in the back pocket will help consumer confidence."

The supply-side measures were also seen as helpful, particularly the Chancellor's efforts to remove distortions in the tax and benefit system which discourage people from seeking

work. The doubts centred mainly on Mr Brown's decision to stick by his earlier forecasts of 1.1-1.5 per cent growth this year accelerating to 2.25-2.75 per cent in 2000, which are still more optimistic than City consensus.

The Chancellor's apparent largesse also raised concern that the Bank of England may be less inclined to cut rates further as a result.

Some in the City would have liked the Chancellor to have been salting away more at this stage in case unemployment, which is currently at levels much lower than anyone expected at this stage, were to rise sharply again.

A big worry is the United States economy, which is still growing far faster than anyone expected but could easily turn down at any time.

At BT Alex Brown, Bob Semple said: "These are quite likely growth forecasts. There may be some concern that if things are worse than expected public finances could end up in a tangle."

However, Paul Turnbull at Merrill Lynch argued that the Chancellor may not be sticking his neck out as much as many in the City think, even if interest rates do not come down by much from now on.

"We have growing evidence that the economy is recovering," he said, pointing out that most of the measures in the Budget were supply-side measures intended to improve long-

term productivity. "Overall the budget should underpin the improving prospects for the economy," he said.

Many of the measures - particularly the introduction of the 10p rate of tax and the abolition

of mortgage interest rate relief - had been well trailed.

The City had expected various tax allowances to encourage innovation and research spending, and for small business, although the across-the-

board cut in both corporation tax and income tax came as a surprise.

There was relief too that that the Government had recognised the need to ensure that the new energy tax did not

add to the overall burden of corporate taxation.

Robin Aspinwall, at National Australia Bank, said: "It is difficult to point to anything which is going to hurt the economy. The equity market likes a bit of

live-now-pay-later. There is just a hint of the (Oskar) Lafontaine

(Germany's Finance Minister) - it is our duty to support growth; a bit of a pinch."

ANDREW GARFIELD  
Financial Editor

## New measures will help to stamp out serious fraud

### TAX AVOIDANCE

ACCOUNTANTS AND other tax experts warmly welcomed the Chancellor's decision not to proceed with a general anti-avoidance rule (GAAR) for corporate direct taxes, or a mini-GAAR for VAT on construction services. They had regarded the proposals issued by the Inland Revenue last autumn as likely to be highly disruptive to business.

However, a statement issued by the Inland Revenue and Customs & Excise after the

Chancellor sat down announced a package of measures aimed at "securing the tax base" that was expected to yield more than £1bn over three years and protect a further £3bn of future revenues.

In addition, it is intended that next year's Finance Bill will contain measures to modernise the Inland Revenue's powers for the criminal investigation of suspected serious tax fraud. In the meantime, draft clauses will be issued for consultation.

While accountants noted that Mr Brown regarded the GAAR approach as an option for the future if more specific legislation did not deter tax avoidance, they were encouraged by the appearance of two measures aimed at sophisticated large companies.

One stamps out the practice of avoiding capital gains taxation arising from the sale of a

subsidiary through paying a dividend, selling the company to an offshore subsidiary and then making the real "outside sale". This is expected to yield between £50m and £100m.

In addition, the Inland Revenue announced its intention to crack down on "one-man companies", or what it calls "personal service provision".

Noting that there has been concern about the hiring of individuals through their own service companies so that they can exploit the tax advantages offered by corporates, it says it

will be discussing the practical application of such measures with a view to introducing legislation in April 2000.

Nicholas Woolf, tax partner with accountants Arthur Andersen, said that drawing the fine line between genuine self-employed contractors and those who are employees will be difficult for the Revenue - and that is the likely reason for the consultation.

There was also an attack on the practice designed to avoid the payment of stamp duty. Hitherto, companies have been able to avoid paying stamp duty by travelling abroad, signing the documents and leaving them in the chosen country. Now, interest will arise if the documents are brought back into the country, for example, for legal case. The Government also announced plans to modernise payments and penalties associated with stamp duty.

ROGER TRAPP  
Customs & Excise

also announced measures that it said would protect £1.5bn of future VAT revenue.

There will also be measures to counter VAT abuse through misuse of the capital goods scheme, timing the submission of returns to exploit the repayment supplement provisions and assigning debts to third parties to reduce the amount of VAT due or claiming too much bad debt relief.

ROGER TRAPP

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A prudent giveaway Budget - but it did not address sterling's strength, said the IoD

Andy Blackmoore

## A cautious welcome in the boardrooms

### BUSINESS REACTION

THE BUSINESS community broadly welcomed Gordon Brown's third Budget, praising its focus on enterprise. "Seven out of 10," said Ruth Lea, head of the policy unit at the Institute of Directors. "We're pleased - especially about the measures for small and medium-sized companies."

But executives worried about what the Chancellor did not say, in particular his silence on two crucial problems facing industry - the high pound and the economic singleness of the country's key continental European trading partners.

"The Chancellor's Budget was based on an optimistic forecast for the economy going out three years," said Alan Armitage, chief economist of the Engineering Employers' Federation. "If that forecast turns out to be wrong, then everything the Chancellor said would be called into question."

Executives were surprised that the Budget was not fiscally neutral, as predicted, but con-

tained tax cuts worth £4bn. And they worried that the relative looseness of the Budget might hold back the Bank of England in its push to lower interest rates from their current 5.5 per cent level.

"The overall stance of the Chancellor was that it was a prudent give-away Budget," said Ms Lea. "If that's the case it could stop lower interest rates, and that would be bad."

Other executives noted that, despite the focus on enterprise, the Chancellor said nothing about cutting red tape. "We still have to live with the minimum wage," said Ms Lea. "We still have to live with restrictions on the working week imposed by Brussels."

Reaction was divided between big business, small and medium-sized businesses, and bodies representing the country's 4 million self-employed.

Big business was relieved at

the absence of new taxes. "Large companies have had to digest tremendous structural change over the past 18 months," said David Crickshank, London tax partner at accountants Deloitte & Touche. "They will be happy there's a breather."

Small and medium-sized businesses were most upbeat. "I'm very positive," said Mark Dixon, chief executive of Regus, the world's largest operator of business centres. "It seems the Chancellor wants to get the country into high competitive mode. It seems like he's getting the country in the right mode for the new millennium."

The Chancellor's focus on enterprise pleased Jonathan Clarke, a director of venture capital group Cirven, and a spokesman for the British Venture Capital Association. "We asked for tax breaks of £250,000 to facilitate moves by execu-

tives in major companies to small, high-risk start-ups," he said. "The Chancellor announced tax breaks worth £100,000. Still, that's definitely a step in the right direction."

Even small businesses found much to cheer. "The reduction in the lowest band of business tax from 20 to 10 per cent on profits of less than £50,000 will give a tremendous boost to small retailers to the corner shop," said Pamela Webber, chief economist of the British Retail Consortium.

The sharpest criticism of the Budget came from representatives of the self-employed. "The Chancellor missed the target," said Ian Handford, chairman of the Federation of Small Businesses.

"The budget for the self-employed was a bit grim. Considering there are 4 million self-employed, and the sector is growing, this was a serious oversight," said Mr Handford.

The measures to promote share own-

PETER KOENIG

## Enterprise culture is given a mixed bag of sweeteners

**ARTHUR  
ANDERSEN**

"THE BUSINESS success stories of tomorrow need all the help the Government can give them today," said the Confederation of British Industry in its pre-Budget submission. The Government has itself frequently talked about the need to encourage so-called serial entrepreneurs. What then, has the Chancellor delivered?

His speech suggested the best incentives in a generation, but closer inspection suggests a more mixed bag. Measures to create an environment encouraging enterprise and innovation on a tax-friendly basis are a key theme of this mid-term Budget. There are also strong links with the encouragement to individuals to gain personal technological skills and knowledge.

The range of measures is very wide, but the value of some is likely to be small. Whether they are sufficient to deliver an enterprise culture remains to be seen. The US lesson is that entrepreneurial success requires a combination of factors. Tax breaks have their place, but equally important is a willingness to embrace change, the availability of skilled managers and access to capital markets. The Government's role is to provide the enabling infrastructure, and this Budget goes further in its scope than merely the tax aspects.

The Budget announcements on research and development credits, enterprise management incentives and measures to encourage wider employee ownership, combined with the new 10 per cent small companies rate of tax (only on the first £10,000 of profits, not the first £50,000), are the main planks of this support.

R&D credits are novel as they provide cash at 24 per cent of expenditure even in advance of profits, and 12.5 per cent for taxpayers, but not until 2000. With the extension for a year of higher first-year allowances at 40 per cent for SMEs (small and medium-sized enterprises), the immediate effect is to yield small amounts of cash flow relief to a fairly wide audience - spreading Mr Brown's bet. He is also focusing money on science in universities, with limited funds for high-tech start-ups. We await details eagerly.

The measures to promote share own-

ership are meant to encourage a rise in companies in which all employees have the chance to hold shares. It is clear that society cannot rely on a few Richard Bransons, and that successful companies need skilled workforce equally motivated and engaged in growing the business.

There is no doubt that having an interest in a business is strongly motivating. The question has always been whether share incentives are the best way of delivering this, particularly in unquoted companies where there is neither a ready market for the shares nor a cultural appetite for widespread share ownership. But a start needs to be made, and it is easy to forget how wide share ownership has become since Sir Sid the early Eighties.

The detailed proposals on corporate venturing are the other piece of the puzzle designed to bring the resources of big business into the entrepreneurial marketplace. Again this concept has been drawn from the US. The possibilities here are an investment relief linked to the amount of the upfront investment and/or relief on exit. The Chancellor has chosen to delay publication of proposals, with implementation still planned for 2004.

Our research indicates that business would generally prefer a mechanism to allow both the investor and investing companies to make better use of start-up losses, and which would require only relatively minor reform of existing consortium and corporation tax reliefs. What the Chancellor has decided remains to be seen.

As with all these matters, however, the proof of the pudding will be in the eating. There is a danger that with so much reform in recent years, business appetite for change has been dulled, in particular if the price to pay is more legislation. As the Chancellor said, all businesses value stability and simplicity - entrepreneurs more than most abhor red tape. Unfortunately the Government/Inland Revenue

have record here is less than perfect. The tax law initiative to draft legislation in clearer terms is proceeding at a snail's pace, and the initial payments on account regulations are just on example of draft legislation that brought uncertainty rather than clarity.

Clearly, many of the proposed reforms will involve quite detailed technical changes, often for small amounts. However, if these are to succeed they need to be implemented in the right spirit, which means the various enforcement authorities need to buy into the approach. It is positive to note that the ill-conceived general anti avoidance rule appears to have been shelved in favour of a number of specific measures to counter avoidance in defined areas. We strongly opposed the rule, as did many others; in this case consultation has proved to be effective.

The reason we are all talking about the need to promote entrepreneurs is the expectation that at least some will succeed and promote higher growth. Many of the measures announced have been about encouraging investment and start-ups. The other end of the business cycle is equally important.

Serial entrepreneurs and share-owning employees alike need exit routes. Tax is a major cost in the entrepreneur's personal profit-and-loss account, and it is encouraging that with the extension of capital gains taper relief to serial Enterprise Investment Scheme (EIS) reinvestments, the nation's entrepreneurs should eventually come to pay tax at 10 per cent. In practice, they will do so only if they can comply with the restrictions on these tax reliefs. One still has to question whether the existing EIS regime is too complex and detailed.

Equally critical is the need for access to capital markets. Entrepreneurs, employees and investors all need liquidity to move on. Currently the smaller listed company market in the UK is relatively unencouraged and significantly underperforming - something for the Chancellor to address next year perhaps. For the moment, however, a good Budget for business people and their employees.

David Sproul is head of corporate tax at accountants Arthur Andersen

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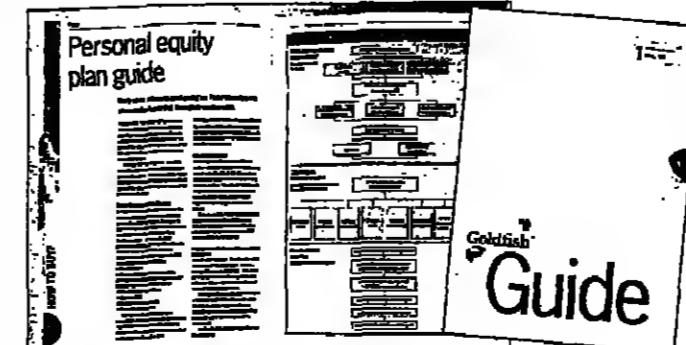
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INDAV3

# MARKET LEADERS PICK THEIR MARKET LEADER

# Who is the economist with the sharpest eye in the Square Mile?

**Steven Bell**  
Chief UK economist  
Deutsche Bank

YOU NEED several qualities to stand out in the City. You require a distinctive view in financial markets and you have to outperform your fellow economists. It is important to be able to communicate your point to market your view. But it is best not to go too far and become something of a sensationalist.

I am reminded of Frank Sinatra's view that success in showbiz is down to 95 per cent luck and 5 per cent talent - but don't bother trying if you haven't got the talent. For economists, it is important to have the talent, but the other 95 per cent is your firm and your marketing of yourself. Obviously you've got to be a brilliant economist, too.

I nominate Tim Congdon for his sheer intellectual honesty and the fact that he consistently makes good calls on the market. I cannot miss out Gavyn Davies, partly because he thinks the same way as me, but also because he is very good at applying solid economics to practical issues.

**Gavyn Davies**  
Chief international economist  
Goldman Sachs

EXCLUDING MY current colleagues, I would like to nominate David Morrison and Jeremy Hale, now at Paribas. Having long worked with both of them, I can attest to their outstanding talents. Another former colleague, Sushil Wadhwa, at Tudor Investment, is a superb economist who has written an outstanding - if pessimistic - study of the bull market in US stocks for the National Institute.

Also, on the hush side, I have always admired both Bill Martin of Phillips and Drew, and Michael Hughes of Barings.

Finally, how can one overlook the magnificent Mervyn King at the Bank of England, the toughest competitor that private sector City economists (fortunately) never had.

**Tim Congdon**  
Managing director  
Lombard Street Research  
I AM particularly in sympathy with Paul Turnbull at Merrill Lynch and David Smith at Williams de Broe. Like Gordon Pepper in the 1970s, they recognise the behaviour of the



Tim Congdon, managing director of Lombard Street Research: Economist most admired by his colleagues for his 'multifarious qualities'

money supply is crucial to the economic outlook and have a good forecasting record to prove it.

Gavyn Davies is, of course, unique. Not only is he highly rated by the institutions, but he also has immense influence with the present Government. His work is always comprehensive, well-argued and intelligent, although I am not sure he has really understood the crucial role of money and banking in the economy.

**Michael Hughes**  
Director  
Barings Asset Management  
There are people who work well for the non-financial, non-City client: there are those who are ideal for the trading desk, and there are those whose work particularly suits the strategists, the fund managers.

For the client who is not enormously financially clued up, I would say that Roger Bootle is the perfect City economist thanks to his excellent communication skills.

For the traders, it is important that the economist is able to establish a fair value for the financial markets. Gavyn Davies and Tim Congdon are particularly good at this. For the fund-manager audience, their economist needs to have a very

good feel for and be a particularly good judge of the market. Tony Plummer at Guinness Flight Hambrs is a fine example of this type of economist.

**Roger Bootle**  
Managing director  
Capital Economics  
AN ECONOMIST I greatly admire is Tim Congdon of Lombard Street. His qualities are multifarious: he is original, forthright and completely unfazed by differing from the consensus.

If you are managing money, it is important to listen to a spread of independent ideas from people who are capable of

taking a radical view. My nominee fits into this category. He may get it wrong sometimes, but, if I were managing money, I would want to listen to him.

**Bronwyn Curtis**  
Former chief economist  
Nomura International  
I ADMIRE two or three economists for different reasons.

There is Brian Reading at Lombard Street whom I admire for his thought-provoking idiosyncratic approach. He always comes up with interesting ideas. I do not agree with him on some things, though, particularly Europe. But he is always worth reading on

international financial issues. I also single out Richard Portes of the Centre for Economic Policy Research, who singlehandedly regenerated work on European and UK policy issues. He stands out because he is able to apply academic work to economic policy. Furthermore, he is interesting and useful to the decision makers.

**David Mackie**  
Vice-president, European economic analysis  
JP Morgan  
IF I HAD to nominate two economists who stood out from the crowd, I would choose Martin Brookes of Goldman Sachs and

Tim Congdon of Lombard Street.

I choose Martin because he is bright, insightful and one of the more thoughtful economists I know. He likes to look at the bigger issues and long-term picture. As for Tim, he, too, is a man who engages in the wider picture. Equally important, his reports are interesting. Flunkily enough, I rarely agree with him and I do not admire him ideologically but, as a City economist, he is worth reading.

**Marion Bell**  
Head of Treasury Research  
Royal Bank of Scotland  
FIRST AND foremost a good

**Neville Elder**

City economist must be a good economist. Lehman's have a good team, with global chief economist John Llewellyn and Russell Jones in Tokyo. I would also cite Gerard Lyons of DKB and James Stewart of Weaving Capital. Some economists can suffer from analysis paralysis and a failure to reach a conclusion. The City requires its economists to have a view. A strong framework to make sense of the world helps.

Tim Congdon at Lombard Street Research has been a leader in promoting the importance of the money supply as an indicator.

**Stephen Lewis**  
Chief economist  
Monument Derivatives  
THERE ARE three City economists who stand out immediately. The first is Gerard Lyons who is quite a good economist who has steady judgement. Then I'd pick out Avinash Persaud from JP Morgan. He is a very fine communicator, which is essential for the economist. A particularly valuable attribute is the ability to pick out key trends, and Peter Wann of Cazenove certainly has this.

**Adam Cole**

UK economist  
HSBC

WELL THE only true objective assessment of how competent an economist is would be the surveys of the client base, such as the Exel and Reuters ones. They tend to be really ruthless measures of performance. But getting it right in terms of forecast numbers is not the end of the game. Really it's barely even the start.

For me, the places with the best City economist teams are Merrill Lynch and Dresdner Kleinwort Benson. These are the economists who rate consistently and solidly in the surveys. If I were to have to pick a team of economists I'd pick either Merrill Lynch's, led by Paul Turnbull, or DKB's, led by David Owen.

I pick DKB because everything they do, they do well. Their clients are immensely pleased with their work. Merrill Lynch stands out for the accessibility of the reports. They are easy to read and easy to digest.

INTERVIEWS BY  
SALLY CHATTERTON

MY FAVOURITE RESTAURANT: JAMES DYSON

## Unpretentious food - by design



Dyson: Blueprint Café has 'a buzz and bustle'

JAMES DYSON, the man whose bagless vacuum cleaner became a bestseller, names Blueprint Café as his favourite eatery - a fitting choice for an entrepreneurial designer.

Part

of the Courta Group, Blueprint is located within London's Design Museum complex. For the past two years Mr. Dyson has been a trustee of the museum and its chairman since January.

But this, says Mr. Dyson, is not why he nominates Blueprint. Rather, it is for "the amazing views of the Thames" it offers. "You sit on the second floor and there are these great big plate-glass windows with stunning views of the river." And the reason that thrills him, he says, is sheer nostalgia.

In the late Sixties, Mr. Dyson, now a multimillionaire and chairman of Dyson Appliances, designed a high-speed river landing craft, the Sea Truck. A spell in Blueprint brings back to him the industrial smells and frozen-mouth syndrome he experienced cruising up and down the Thames demonstrating and selling the craft.

Mr. Dyson has visited the

café about once a month for the past five years. "It has a hustle and a buzz and it's very relaxed," he says. He has dined there with his company's overseas distributors, "the odd City person" and Design Museum trustees. It is also a convenient family meeting spot, being between his own home in Chelsea and his son's in Islington.

He doubts whether the café's staff, mainly cheerful New Zealanders, know him, but he appreciates the way they treat and always feels welcomed. Although he

admits he rarely looks at his credit-card slip when he pays, he thinks a meal there "is very cheap".

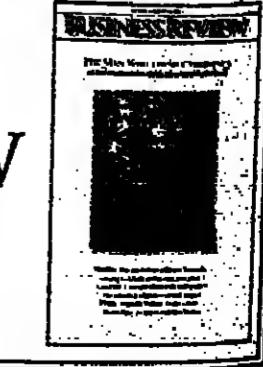
He likes the café's "simple, but well-cooked unpretentious food", such as fresh fish and rocket salad. Thanks to the persuasive powers of the waiters, he nearly always chooses a New Zealand wine.

INTERVIEWED BY  
NAOMI MARKS

Blueprint Café, The Design Museum, Butler's Wharf, London SE1 (Tel 0171-378 7031)

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# Poor old Bill Gates just can't stop getting richer

HERE IS the question: if you were Bill Gates, the richest man on the planet, how would you organise your investments? Thanks to *Fortune*, the US business magazine, we now know most of the answers – and very instructive they are too. I think the question could usefully be set as a core question for financial advisers in their exams. Below the one that goes: how much is a 3 per cent commission on this second-rate unit trust/endorsement policy worth to me?

We are talking big numbers here. Even though Bill Gates keeps selling stock in Microsoft, he cannot do it quickly enough to keep up with the explosive growth of the value of his remaining shareholding. His holding in Microsoft is down from 44 per cent to 18.5 per cent, but the incredible 59 per cent compound annual rate at which the

shares have grown since the firm went public 13 years ago means that his holding is now worth more than \$75 billion, and still rising.

Microsoft shares are up 50 per cent since the Justice Department started its antitrust case against the firm last year. Nothing, it seems, can stop the Microsoft juggernaut. Warren Buffett called the shares "the best performing endowment fund in the world".

Sensible fellow that he is, Gates is unloading his shares and giving them to charity. According to *Fortune*, he sells an average of 80,000 shares in Microsoft every day. He has set up two charitable foundations to dispense help to philanthropic causes: their assets amount to \$55m. They have given away \$55m, more than most Fortune 500 companies earn in a year. And Gates has his personal investment

portfolio worth \$8bn – small beer compared with his Microsoft stock, but the kind of sum that still demands a modicum of attention.

So how does Michael Larson, the investment manager looking after the Gates billions, deal with all that money?

His strategy is fundamentally simple. Gates, having made his fortune, is no hurry to lose it. His foundations, with their constant need for cash, are more interested in securing their capital and a decent income than they are in creating huge capital gains. The watchwords here are risk minimisation, not maximising returns.

The biggest problem Gates has as an investor is to reduce the heavy concentration of his wealth in one single stock. In his words: "The money I have outside Microsoft is less than 10 per cent of

the total. So we will sell stock periodically to get more diversity. It is the same strategy that most individual investors engage in." (Don't laugh: remember this is the United States, where wealth accumulation is not questioned as a desideratum.)

Mr Larson has steered most of the Gates fortune into defensive investments. About 70 per cent of the Microsoft founder's personal investment portfolio is in government bonds, and short-dated ones at that. He also has some emerging market debt and some high yield bonds. The balance of the fund is split between private equity (50 per cent), property and oil (25 per cent) and a few shares Mr Larson expects to do well when and if Wall Street's love affair with technology stocks finally comes to an end (as it surely must). There are

wider lessons. One is that asset allocation – how much of your money you put into each type of asset – is where the real value in investment management is added. It is not (as most punters still think) in picking individual stocks.

Mr Larson's comments on the markets also make a lot of sense. His deadpan comment on Wall Street is that "the market is high right now and there is an awful lot of excitement about tech stocks". His bias towards short-term bonds is partly a reflection of his view that interest rates are trending higher – he expects another 1 per cent on long-term interest rates – and partly about as clear a statement a fund manager can make that he thinks the markets are overvalued.

Larson reckons the cycle in the market will turn soon. A trigger point will change the emphasis

from

technology and today's other fashionable sectors. Agriculture he expects back, and the bombed-out oil sector looks interesting too. In my book, investors with even a modicum of appetite for risk should be positioning for a comeback in the oil sector this year.

But the central paradox remains. Bill Gates has the Midas touch. He just can't stop getting richer. For someone who says he will give away all his wealth by the time he dies, the hi-tech boom is a major obstacle that even all the efforts of one of the best fund managers in America cannot surmount.

Perhaps poor old Bill may actually have to turn to an independent financial adviser and start paying commission on a lot of expensive UK investment funds that don't really earn their corn. That should do the trick, if all else fails.



JONATHAN  
DAVIS

He sells 80,000  
Microsoft shares a  
day but the darn  
things keep going up

## Should you invest in... engineering?

BY KEIRON ROOT

ENGINEERING FIRMS have had a torrid time over the past two years, as a strong pound and high interest rates battered the export-led sector. But this does not mean investors should ignore these companies.

"We are reasonably positive about engineering stocks for the long-term," says Geoff Miller, head of research at Brewin Dolphin Securities. "We are actually looking for greater exposure to companies in these cyclical sectors."

But you have to be selective. Hugh Priestley, investment director at stockbrokers Rathbones, says: "It is a very disparate sector. There are lots of small companies looking for M&A activity and we have seen some bids."

"But investing on that basis is like playing the lottery. You might get lucky and find a company or two that might be bid for, but there is a high probability you will not."

Miller suggests investors concentrate on firms with identifiable product lines. "There are very solid businesses, such as GKN, Senior and Bodycote, that are generally supplying products that are being outsourced, particularly to the automotive industry," he says.

"This means such companies can continue to grow their businesses because the demand for their outsourced products is growing."

Vicky Wong, an analyst at stockbrokers Killick & Co, says:

"The attractive stocks are the makers of niche products, such as Rolls-Royce engines."

"If they can establish such a niche, companies are in a winning situation because it means they have the best technology and are making products need-

ed by their customers. If not, they're in trouble. There's a handful of small companies just producing traditional tools. Manufacturing is declining so there's no demand for these products."

The problem is there are not many of these paragons around.

"Many companies are still suffering the aftermath of having multiple non-core businesses," adds Wong.

Priestley says: "There is a distinction between aerospace and defence companies and the rest of the sector."

"I have reservations over British Aerospace because of problems with its Saudi deal. But if the oil price recovers and payments are received on time British Aerospace will look a lot better."

Priestley sees this as a relatively resilient section of the market, but Vicky Wong is not so sure. "The problem for European companies in the defence sector is that defence budgets are being cut and most defence technology is based in the US," she says.

"In Europe, companies know they have to consolidate, but there is a lot of resistance to this because it would mean job losses."

Wong sees this consolidation process as a major factor across much of the engineering sector.

"It is still a good idea, in the long term, to put money behind a company like British Aerospace despite the rumours about the Saudis not paying up.

"But I don't think we're there yet. There are a lot of very tempting yields out there, but many companies will simply maintain these or even start to cut them. Unless you are very

lucky and pick a stock that is bid for, it is a very tough sector."

Vicky Wong agrees. "A lot of engineering stocks are very cheap, but we're not buying many because there are simply better opportunities elsewhere."

"One we have been buying is TI Group, because it has very good management and an attractive yield. It is more into industrial production, which does not sound a very exciting niche, but it does have the best products."

He adds: "We thought Morgan Crucible was one because it does dominate in a number of markets around the world, but if it came in with a fairly heavy downgrade and its share price has suffered.

"One day, things will turn round and we'll start selling off IT stocks and start buying them instead."

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# Savers win by showing a social conscience

His  
and  
Job  
will

There is tradition in some investment circles of looking at the world in a fairly cynical manner. Okay, so a few companies might contribute a tad to global warming and sell a few cigs too many but did you see their results last week? And look at those share prices.

The fact is, this approach does not correspond with the view expressed by those most affected by this fund management style: ordinary savers, who would like to see a social dimension applied to how their money

is invested. This is even more the case in relation to pensions. According to a survey by the Ethical Investment Research Service (Eiris) 73 per cent of us would like our pension funds run on ethical lines.

Perhaps more surprisingly, almost a third of those questioned would also be prepared to accept some reduction in their pension benefits as a result.

In any event, this choice is denied to members of occupational schemes. Only the self-employed or those opting out of employers' schemes can choose to invest into "ethical" or "green" funds through

is invested. This is even more the case in relation to pensions. According to a survey by the Ethical Investment Research Service (Eiris) 73 per cent of us would like our pension funds run on ethical lines.

John Denham, the Pensions minister, is considering proposals that would require employers' pension scheme trustees to disclose whether and how non-financial considerations might influence their conduct in running these funds.

"This is an issue of key importance," says Karen Eldridge of Eiris, "because of the very large amounts of investment capital held in UK pension funds and mostly invested into British company shares."

Common sense suggests that if pension scheme members elect to have their fund contributions invested according to given ethical or ecological guidelines, they should be allowed to do so.

But Charles Scanlan, head of the pensions department at law firm

BY IAIN MORSE

a personal pension plan. Here the range of funds available is growing. Most providers already offer an ethical unit trust, and reproduce its asset allocation in their pension fund.

Examples include NPI's Global Care pension fund, which has shown better than 70 per cent growth over three years.

The Stewardship fund from Friends Provident grew by 40 per cent over the same period, coming second in the Balanced Managed fund category against mostly non-ethical competitor funds.

For members of occupational schemes seeking to top up their pension benefits most ethical pension providers also offer access to their funds through so-called free standing additional voluntary contributions (FSAVCs). Anyone contracting out of the state top-up scheme, Serps, can also choose to have higher National Insurance contributions paid into a contracted out "appropriate personal pension" (APP) investing in an ethical fund.

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But Charles Scanlan, head of the pensions department at law firm



Non-GM crop producers are benefiting from the organic food boom, and that looks good for a sound and ethical investment

Philip Meech

Simmons & Simmons, says: "A pension fund is held in trust and run on behalf of its beneficiaries by trustees who are obliged to act in their best interests.

"Trustees could be held legally liable if they fail in their duties. Essentially, they must make investment decisions in the best interests of all scheme members.

Also, in the case of defined benefit pension schemes - those set up to pay pensions which are equivalent to fractions of final salary - the employer company may be liable for any underfunding.

"One can argue that in certain circumstances comparing the (ethical) policies of two similar firms when deciding which one to buy shares in is

wholly congruent with acting in the best interest of scheme members." This applies in what is called a "tie break" situation where a decision has to be made between two similar investments.

A Green Paper in December suggested pension scheme trustees should feel able to consider moral social and environmental issues.

These could be laid out in a statement of investment principle.

But in a further consultative document in January that has been changed to a bare statement of whether trustees should be allowed to mention "any considerations other than financial ones" in their statement of the investment principles under which they run a

fund. "Many of those making some contribution during this consultative process welcomed these proposals, but this change of wording amounts to a dilution of what was originally proposed," says Ms Eldridge.

"The question now is whether any substantive change for the better will come out of all of this."

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## Staying single is a risky business in PEP trades

BY GUY DENNIS

SINGLE COMPANY PEPs offering the prospect of tax-free investment present several questions. Is it worth getting one? Is it a suitable investment? Which PEP manager and which shares offer the best prospect of a healthy return?

Answers to these questions are easy to understand, but one must remember that a single company PEP is a more specialist investment than a general one.

They need careful consideration. As the end of the tax year approaches, investors appear to be flooding into them. Fidelity says its sales of single company PEPs from the start of the year to 10 February are up 223 per cent on the similar period last year.

But single company PEPs are not suitable for everyone, and they are far less popular than general PEPs, even taking into account this year's rush.

Jason Hollands, managing director of BESt investment, the financial advisers, says: "Single company PEPs are not appropriate for the vast majority of private investors."

There are two reasons single company PEPs are often unsuitable. First, each year's single company PEP requires direct investment in the shares of only one company. This makes them a risky investment.

If you invest the allowed annual maximum of £3,000, its return will depend entirely on the fortunes of your chosen company. For wealthy investors this may not be a worry: they will have other investments, and the relative risk will be small.

But for most people £3,000 is a lot of money, and investing it all in a single company PEP is a bad idea. Investments should be diversified to spread risk.

Investors also need to remember that shares in single company PEPs should be viewed as long-term invest-

ments. You can sell the shares in a single company PEP and switch to another company's shares so long as you do not hold cash for more than 42 days. And some single-PEP providers will offer to manage the investment for you, buying and selling shares in an effort to maximise your return.

But dealing charges and stock market volatility mean you should expect to hold shares for a minimum of five years. Investors looking for a short-term investment should try elsewhere.

The second concern about the suitability of single company PEPs is over the value of the

tax breaks that they offer, and whether these outweigh their initial fees and management charges. For some people they will not.

There are two tax savings offered by a PEP: one is on capital gains tax (CGT), and the other is on the tax payable on dividends.

CGT is payable only on capital gains over £6,800 in a year so, for many people, single company PEPs offer no benefit here. They will not have such tax liabilities.

As for dividends, after 5 April changes in the tax laws mean that tax benefits on dividends make a significant difference only for higher rate taxpayers.

Mr Hollands says: "With the cuts in tax credit dividends, single company PEPs are almost certainly inappropriate for anyone who isn't a top-rate tax payer, or who doesn't have capital gains tax liabilities."

If a single company PEP does make sense for you, there are several pieces of general advice. Make an effort to shop around for the best deal. Initial fees and management charges vary considerably from one single company PEP provider to another. To find the best deal, contact several stockbrokers or investment companies offering them.

You will also need to consider whether you want an execution-only stockbroker, probably offering lower charges, or a traditional stockbroker or investment company that offers advice on choosing shares.

When picking shares, think about your priorities. Fred Robinson, a partner at the stockbrokers Killik & Co, says: "Your stock selection will depend very much on how it fits in with your portfolio."

Jim Wood-Smith, head of research at Greig Middleton, says: "The attitude we take towards single company PEPs is that it is best to think safety first. We go for large blue-chip stocks where we are as sure as we can be that people will make money in the long term."

"What we don't do is use single company PEPs as tax-free speculating vehicles. If you take a punt and get it wrong you've lost on your tax break."

The *Independent* has produced a last-minute "Guide to PEPs". The guide, by Nic Cieutti, the paper's personal finance editor, discusses whether PEP investments might suit your needs, what the tax benefits are - and aren't - and details of the rules.

If you are considering a last-minute PEP, this guide, sponsored by Scottish Widows Fund Management, is for you. Call 0345 678910 for your free copy.

### THE BROKERS' TIPS

Which companies' shares do stockbrokers prefer for their solid and dependable performance? Here are their choices

Fred Robinson, partner, Killik & Co

Bass - This blue chip company looks attractive at current stock market levels. The shares are not expensive, and they are not too risky. They offer a 5 per cent yield for the year to September, and a good balance between income and capital growth.

Justin Urquhart Stewart, communications director, Barclays Stockbrokers

Shell - Shares in this oil company have been out of fashion, and it has suffered from low oil prices. But these will rise, given some time, and strategic improvements needed by the firm to make it more profitable are expected soon. They are good value.

Allan Collins, partner, Redmayne Bentley

Shell - The dividend looks secure, being twice covered by cashflow. And there may also be further mergers in the oil

industry that could boost the shares. They enjoy a secure income stream and the prospect of a rising price.

Jeremy Batstone, research head, NatWest Stockbrokers P&O 6 and 3/4% convertible preference shares - These shares have a slightly higher dividend payout than the ordinary shares, thus offering extra protection and a higher yield. The company is benefiting from its 1996 refocusing programme, and cruises are proving popular despite the film *Titanic*.

Gavin Oldham, chief executive, The Share Centre

Scottish Power - If the proposed merger with US-based PacifiCorp is concluded, the result will be the world's tenth biggest utility company. As it is, its spread of interests, quality management and financial record make the shares suitable for any long-term portfolio.

Philip Meech, personal finance editor, The Independent

If you are considering a last-minute PEP, this guide, sponsored by Scottish Widows Fund Management, is for you. Call 0345 678910 for your free copy.

# Putting extra into the pension means you can take the money and run early

BY RACHEL FIXSEN

MOST OF us cherish a dream of retiring early and taking the holiday of a lifetime. But we suppress this aspiration in the belief that we could not possibly afford to skip off into the sunset at 55.

The truth is you can do it if you are prepared to put a bit more into your company pension scheme.

With a personal pension, you can make extra contributions depending on Inland Revenue limits. But as a member of an occupational pension scheme, you can make additional voluntary contributions (AVCs).

This may be an in-house AVC scheme run by your employer or a free-standing AVC (FSAVC) scheme operated by an insurer or other financial services provider.

Regulators say last October that visits to a sample of providers revealed that some contracts had been wrongly sold.

People were sold FSAVCs when, if they had opted for the AVC scheme offered by their employer, the company would have matched their contributions.

In other cases, FSAVCs had been sold to members of particularly generous pension schemes, such as the armed forces, and risked overfunding.

The Inland Revenue sets upper limits of the amount of pension and other benefits you can have.

Doctors were recently warned about FSAVCs by the British Medical Association, which says it was concerned about the way the contracts were being marketed.

"Substantial commissions are payable on FSAVC sales and this often influences the sale when cheaper and better options are available," says Simon Frazer, chairman of the BMA Superannuation Committee.

More than a million investors have taken out the free-standing plans since they were introduced in 1988 as a way of giving employees more choice.

It is generally accepted that FSAVC plans are more expensive than occupational AVCs.

Actuarial consultant Bacon & Woodrow showed in a report that someone paying £50 a month into a managed fund for five years would have an accumulated pot of, on average, £3,665 with a FSAVC, and



Balmy beaches and lazy days on that early retirement holiday of a lifetime need not be a fantasy if you can put away a bit extra on the pension

## PERSONAL PENSIONS

### Act now if you want the good life when you retire

BY RACHEL FIXSEN

MILLIONS OF people have no access to a company pension scheme. If you are self-employed or work for a company too small to run its own scheme, a personal pension plan is probably the best way to save for a retirement income.

But the personal pension mis-selling scandal has made many people wary of this type of investment.

Between 1988 and 1994, financial advisers hungry for commission persuaded many people to leave occupational pension schemes (or not to join in the first place) and sign up for personal plans instead.

But thousands were worse off. They no longer benefited from their employer's contributions, or from the fact that the administrative costs of the scheme were shared. The lesson to be learnt from this episode is that where an occupational pension scheme exists, it is usually the best option. But because of the tax breaks they offer, personal pension plans may be better for some people.

They are suitable for anyone who receives earned income and does not have access to a company scheme, says John Turton, head of pensions at brokers BEST Investment.

"Everyone should try to put money away for their retirement," he says. "I don't think the Government is going to look after you in old age."

The basic state pension currently pays out a maximum of just £64.7 a week, although anyone contracted into Serps (the state earnings-related pension scheme) could get more.

Government proposals for new stakeholder pensions (low-cost pensions for those on low incomes) unveiled in December, and the dismantling of Serps make clear that with only a



Dig into your salary early for a good personal pension

state pension, people earning more than £18,500 will be worse off when they retire than are current pensioners.

"People who are earning under £18,500 will get more, and people earning between £18,000 and £18,500 will get a slightly better pension, but it is still not enough," says John Turton. "That's why they have to make their own provision."

Stakeholder pensions won't come into effect until 2001. And proposals are afoot for a new pensions savings account, the "Life" (lifetime individual savings account), which will be a personal pension that meets certain standards on charges, flexibility and portability. They will also offer a wide choice of investments.

But you shouldn't wait to start saving for retirement in anticipation of these changes, says Stephen Dight of independent financial advisers Grosvenor Financial Services. "If you delay by two years, and annual returns turn out to be around 12 per cent, then you will have cut your pension pot by a quarter," he says.

If you do start a personal pension plan in the next two

years, it is vital to choose one that can be transferred easily to a new scheme – possibly to one of the new stakeholder schemes. "You need to look at level-charged products [where charges are spread throughout the life of the pension] which you can get out of without significant costs," says Mr Dight.

Providers such as CGU, Standard Life, Sun Life and Norwich Union have level charges on their personal pensions.

But about 80 per cent of personal pensions will penalise you if you stop paying into them, or if you transfer the fund after two years, says Mr Turton. This is because the bulk of the charges made by the investment providers are levied in the first few years. "The reason they have got these charging structures is because the salesman or independent financial adviser has a truckload of commissions to collect," he says.

A cheaper way to buy personal pensions is through a discount broker such as BEST Investment, or Hargreaves Lansdown. Because of their high sales volumes, they can repay most of this up-front

Grosvenor Financial Services: 01491 414145; BEST Investment: 0171 321 0100; Hargreaves Lansdown: 0800 850 6611; for a copy of the FSA Guide to Financial Advice: 0800 917311

many in-house AVCs. "Say there is a 25-year-old working for the NHS who is a very adventurous investor," says Julie Lord of Cavendish Financial Management in Cardiff.

"There is only the Equitable Life with-profit fund, which is anything

but adventurous." This denies people real control over their investments. Standa's FSAVC plan, on the other hand, allows you to invest not only in a range of investment funds, but with different fund management groups. Confidentiality is an

other reason many employees opt for a FSAVC rather than the in-house plan. "Some clients very definitely do not want their employer to know that they plan to retire 10 years early," says Ms Lord.

If you are looking for advice on

which form of pension top-up to take, choose an independent adviser who charges a fee rather than relying on commission, she says.

You are more likely to get impartial advice, and this should cut the cost of the FSAVC scheme, because commission earmarked for a salesperson can then be ploughed back into the plan.

David Cresswell of the Occupational Pensions Regulatory Authority says it was sometimes hard for financial advisers to get information about company AVCs, especially where clients did not want their employer to know they were thinking of topping up their pension.

"We're working with the FSA, the NAPF and the ABI to look at ways that information on AVCs could be made readily available to financial advisers," he says. This might be some sort of database.

But Andy Cox, associate at Bacon & Woodrow, says this could spell the death of FSAVCs.

"If they had full information on both types of AVC we would expect the vast majority of individuals to go for the in-house AVC," he says.

But Sarah Modlock of the PIA says it was not the case that one type of top-up was preferable.

There are some very good in-house AVCs, but also some good FSAVC plans, she says. "The key thing is to find out what your options are and get as much information as you can. Don't be afraid to challenge people's recommendations."

Additional voluntary contributions are not the only way to boost your retirement provision.

Personal Equity Plans, and their successors Individual Savings Accounts, are other types of investment you can use.

Although the money you invest in a PEP or ISA is not tax-free, you are free to cash them in, tax-free, at any time, unlike AVC contributions. Money invested in AVCs, as with the rest of your pension, is locked away until retirement.

**Cavendish Financial Management:** 01222 665588; for a copy of the Financial Services Authority's guide to boosting your occupational pension: 0800 917311; for a list of fee-based financial planners, call the Institute of Financial Planning, and ask for the registry: 0117 9304434.

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## HOW THE INCOME TAX CHANGES AFFECT YOU

TAX RATE BANDS				
Taxable income band, £	Income tax rate	Income bands £	NIC rate	
0 - 1,500	10%	0 - 3,432	0	
1,500-28,000	23%	3,432 - 26,000	10%	
		26,000 & above	0	
above 28,000	40%			

## PERSONAL ALLOWANCES

£ 1998-99 1999-00

Personal Allowance	4,195	4,335
Personal Allowance (65 - 74)	5,410	5,720
Personal Allowance (75 and over)	5,600	5,980
Married Couple's Allowance *	1,900	1,970
Married Couple's Allowance (65 - 74)	3,305	5,125
Married Couple's Allowance (75 and over)	3,345	5,195
Income limit for age related allowances	16,200	16,800
* Allowances where relief restricted to 15%	10%	
** Allowances where relief restricted to 15%	15%	15%

## MARRIED PERSONS TAX

£ 1998-99 1999-00

Gross annual income	Monthly tax and NI	Monthly tax and NI	New net monthly salary	Monthly change in net income
1998-99	1999-00	1998-99	1999-00	1998-99
5,000	19.48	13.07	403.60	6.41
10,000	137.91	130.65	702.89	7.26
15,000	275.41	268.15	981.85	7.26
20,000	412.91	405.65	1,261.00	7.26
25,000	550.41	543.15	1,540.19	7.26
30,000	648.08	647.31	1,852.69	0.77
35,000	796.40	780.90	2,135.77	15.50
40,000	963.06	947.57	2,385.77	15.49
50,000	1,296.40	1,280.90	2,885.77	15.50
60,000	1,629.73	1,614.23	3,385.77	15.50
75,000	2,129.73	2,114.23	4,135.77	15.50
100,000	2,963.06	2,947.57	5,385.77	15.49

## SINGLE PERSON TAX

£ 1998-99 1999-00

Gross annual income	Monthly tax and NI	Monthly tax and NI	New net monthly salary	Monthly change in net income
1998-99	1999-00	1998-99	1999-00	1998-99
5,000	32.90	18.61	398.06	14.29
10,000	161.66	147.06	696.27	14.60
15,000	299.16	284.56	965.44	14.60
20,000	436.66	422.06	1,244.60	14.60
25,000	574.16	559.56	1,523.77	14.60
30,000	671.83	663.73	1,836.27	8.10
35,000	820.15	797.32	2,119.35	22.83
40,000	986.81	963.98	2,369.35	22.83
50,000	1,320.15	1,297.32	2,889.35	22.83
60,000	1,653.48	1,630.65	3,369.35	22.83
75,000	2,153.48	2,130.65	4,119.35	22.83
100,000	2,986.81	2,963.98	5,369.35	22.83

## MARRIED PERSON'S TAX 65-74

£ 1998-99 1999-00

Gross annual income	Monthly tax and NI	Monthly tax and NI	New net monthly salary	Monthly change in net income
1998-99	1999-00	1998-99	1999-00	1998-99
5,000	0.00	0.00	416.67	0.00
10,000	35.91	23.08	810.26	12.84
15,000	131.75	118.91	1,131.09	12.84
20,000	259.43	267.58	1,399.09	-0.85
25,000	364.23	363.41	1,719.92	0.82
30,000	460.10	459.25	2,040.75	0.85
35,000	608.42	592.83	2,323.83	15.59
40,000	775.08	759.50	2,573.83	15.58
50,000	1,108.42	1,092.83	3,073.83	15.59
60,000	1,441.75	1,426.17	3,573.83	15.58
75,000	1,941.75	1,926.17	4,323.83	15.58
100,000	2,775.08	2,759.50	5,573.83	15.58

## PENSIONER OVER 75

£ 1998-99 1999-00

Gross annual income	Monthly tax and NI	Monthly tax and NI	New net monthly salary	Monthly change in net income
1998-99	1999-00	1998-99	1999-00	1998-99
5,000	0.00	0.00	416.67	0.00
10,000	73.58	60.80	772.53	12.78
15,000	169.42	156.63	1,093.37	12.79
20,000	286.68	284.00	1,382.67	2.68
25,000	388.01	379.83	1,703.50	8.18
30,000	483.85	475.66	2,024.34	8.19
35,000	632.17	609.25	2,307.42	22.92
40,000	798.84	775.92	2,557.42	22.92
50,000	1,132.17	1,109.25	3,057.42	22.92
60,000	1,465.50	1,442.58	3,557.42	22.92
75,000	1,965.50	1,942.58	4,307.42	22.92
100,000	2,798.83	2,775.92	5,557.42	22.92

## SINGLE PERSON'S TAX

£ 1998-99

Gross annual income	0	5	10	15	20	25
10,000	15	10	5	0	-5	-10
20,000	30	20	10	0	-10	-20
30,000	45	30	15	0	-15	-30
40,000	60	40	20	0	-20	-40
50,000	75	50	25	0	-25	-50
60,000	90	60	30	0	-30	-60
70,000	105	70	35	0	-35	-70
80,000	120	80	40	0	-40	-80
90,000	135	90	45	0	-45	-90
100,000	150	100	50	0	-50	-100

## MARRIED PERSONS

£ 1998-99

Gross annual income	0	5	10	15	20	25
10,000	15	10	5			



## Right to roam

Sir: David Aaronovitch's article on the Government's right to roam (Comment, 9 March) contains many misconceptions about who owns and cares for the countryside. I am no apologist for landed interests or the hulky boys of the rural scene, but, I do stand up for the smallholders of about 50 acres who make up the majority of the Country Landowners' Association membership.

The area I live in is beautiful and attracts a lot of visitors, which is their right. However, the increasing pressure on the countryside is invading the privacy of those who live here.

In our case, walkers have to walk through our farmyard, past our front door. They believe that they are invisible to my family and no consideration given that we live here. Dogs wander off the right of way, litter is dropped, strangers poke about the barns. The law of trespass? Forget it. Police protection? Forget that too. "Is he carrying a gun, madam?"

We have tried to get the council to divert the right of way. We are now in our second year facing a bill of £20,000 and with no end in sight. The position in law of the use of rights of way is confused, archaic, bureaucratic and supremely costly if you want to change things to reconcile privacy with the common good. Rights of way arose because they reflected how rural people moved around the countryside in the past; they were not designed for modern recreational requirements.

CHRISTOPHER LUKE  
Abergavenny, Gwent

Sir: I am not a country landowner - I live in Manchester and wouldn't know one end of a combine harvester from another - not following the Government's idiotic kowtowing to the "right to roam" lobby. I look forward to the spectacle of hordes of ramblers descending on Chequers gaily scattering crisp packets and letting their semi-trained animals loose on the wildlife. At least Tony Blair's livelihood doesn't depend on it.

JOHN GALE  
Manchester

Sir: I have received today a letter from The Ramblers seeking funds to fight the case against Mr Van Hoogstraten, who is denying legal access across his land. I wonder how many others share my incredulity that the relevant authorities do not deal with Mr Van Hoogstraten in a manner which causes him to comply with the law instead of relying on a charity to do the job for them.

DE ARCHER  
Barnsley,  
South Yorkshire

Sir: The question of land ownership and the transfer of land can be dealt with by an office of land management as part of the new Scottish Parliament. It is all well and good for Andrew Dingwall-Fordyce of the Scottish Landowners' Federation to say that legislation is not needed or wanted (letter, 8 March) but he is only speaking on behalf of vested interest. Where is the evidence that a true consensus of opinion has shown this to be true?

The landowners of Scotland do not have a very good track record for acting on behalf of the working class. One has only to read of the Clearances to understand how much the real people of Scotland have been close to the heart of the owners. Recent land sales have been to the detriment of people trying to make a living on the land, and Knoydart is a prime example.

Does Mr Dingwall-Fordyce expect us to believe that the Landowners' Federation can police land sales properly? May I suggest that the people of Scotland should have a say in whether some German artist or whoever is a proper person to administer land which belongs to the people of Scotland. I wish the new Parliament well.

ERIC STENTON  
Sheffield

## LETTERS TO THE EDITOR

Post letters to Letters to the Editor, The Independent, 1 Canada Square, London E14 5DL and include a daytime telephone number, fax to 0171 293 2056 or e-mail to letters@independent.co.uk. E-mail correspondents are asked to give a postal address.

Letters may be edited for length and clarity



National Orchestra Week No 3: The French horn player takes a bow after a recital at a retirement home in Old Coulsdon, Surrey

David Rose

## Pusztai's results

Sir: The attempt by Professor Rhodes and Dr Finn (letters, 3 March) to clarify the Pusztai affair was misleading.

They imply that lectins are not really toxic (making Dr Pusztai's results appear significant) by saying they exist naturally on mammalian cells. This is true, but it is also irrelevant.

Those used in Dr Pusztai's work were plant lectins and these are all toxic to something. Their purpose is to make animals eat them - feel ill and stop. Like other

proteins, lectins are inactivated by cooking. Dr Pusztai fed GNA lectin raw to rats and an effect on digesta retention was observed in one experiment. Should anyone be too surprised? In any case Dr Pusztai was unable to replicate this effect a second time.

In all other instances the GNA lectin could not be shown to have any significant effect at all, even when added directly to feed at 100 times the concentration expressed in the GM tubers. So why the fuss? It is because the addition of another lectin (Con A) to feed resulted in rats with impaired immune systems.

The amount added was 5,000 times the concentration expressed by the potatoes themselves. If you feed a known poison to rats at 5,000 times its normal level it is not surprising if they end up ill. The Rowett Institute concluded that "the results were far too variable to reach statistical significance and too inconsistent to draw any meaningful conclusions". Following Dr Pusztai's public inferences to the contrary, suspension was perhaps inevitable.

Professor Rhodes and Dr Finn conclude by saying that Dr Pusztai was certainly not trying to imply that GM foods are unsafe but simply carrying out impartial research. This too is misleading. Dr Pusztai has actually said, "We are assured this GM food is safe but if you asked me I wouldn't eat it."

This is not the voice of

impartiality. As a postgraduate biological science student there are certain regulations I would like to see introduced in the production of GM foods. However, if in my work I had produced such unfounded conclusions and statements as those made by Dr Pusztai, my supervisor would have doubtless hit the roof.

MARK MADDOX BSc MSc GIBioL  
Nuneaton, Warwickshire

## Howard's away

Sir: Michael Howard's decision to airmail off into the political sunset, this summer, is far more significant for Conservatives than one ageing ex-minister opting out. Howard has seen the writing on the wall for himself and his party, and it reads, "Labour rules for the foreseeable future."

Is it really less than a decade since the lady who was "not for turning" was turned out of No 10 by a rabble of jealous and incompetent political pygmies? The rabble is now a shambles. The most ineffectual opposition in living memory - and worse is yet to come. It is still three years before William Hague fulfills his destiny of losing the next general election. Oh, how are the mighty fallen!

TONY THORN  
Bordon, Hampshire

Sir: Andrew Grice's analysis ("Hague urged to hit poll target", 8 March) of the coming battle in the May local elections seems to suggest a mainly two-way fight between the Tories and Labour. Does he omit the fact that the Liberal Democrats control more local councils than the Tories in order to drown the Tories from their main threat, undermine the Liberal Democrats, or leave out complexities for the benefit of a dumbed-down readership?

T J STONE  
Whittleford,  
Cambridgeshire

## Male feminists?

Sir: Are there any male feminists? Let us hope not. Most modern men, perhaps with a few exceptions like Adrian Coyle (letter, 8 March), are much too complete, rounded human beings to be capable of the hysterical rantings of career bigots like Germaine Greer or Suzanne Moore.

Dr SIMON FORDHAM  
Liverpool

Sir: Dr Adrian Coyle, as well as being offensive about transsexuals, also manages to miss the point:

Feminism, at its best, is about doing away with gender stereotypes, and with discrimination on the grounds of gender. It is about breaking the link that seems to exist in so many people's minds, between having a certain set of genitals or chromosomes and being expected to fulfil a certain sort of societal role.

Talking about "womanliness" as if it were universally agreed what this term means, and advocating the exclusion of people with y-chromosomes from the feminist movement suggests that, for Dr Coyle at least, sex discrimination and

gender stereotyping are alive and well.

KATHY WHITTON  
St Anne's College  
Oxford

Sir: Now here's a paradox. On International Women's Day (8 March), *The Independent* publishes a book review about the 18th-century writer Charlotte Smith. Why is the piece dominated by a picture of William Wordsworth, who is barely

mentioned in the article? And why his picture is about 15 times as large as the tiny portrait of Charlotte Smith?

What the reader sees is that men are considered more important and dominant than women, even if the subject under discussion is a woman. With men, as usual, on the front page, it would seem that every day is International Men's Day.

MARIAN REID  
Alloway, Ayrshire

incomprehension. I had a vision of an airplane flying over cows in a meadow." (Books Interview, 6 March)

My bewilderment at Mr Bloom's argument was, it would appear, a product of my sheer ignorance. Of course, the fact that Mr Bloom delivered his speech, or rather simply read from his recent book in a monotonous and uninspiring drone could have played a part.

If Falstaff really is "the mortal god of my imaginings", Mr Bloom should return to Shakespeare's text and try to learn a thing or two from his rhetoric.

Meanwhile, I think it would be preferable for me and my fellow bovine students to keep to the grass-roots of Shakespeare rather than indulge in an arrogant flight of fantasy.

BEN SANDERSON  
St Catherine's College  
Oxford

## Census of faith

Sir: No one should have to disclose their faith (or lack of it) mandatorily, least of all to the head of their household or the state.

Neither will the statistics gathered in the 2001 census be accurate: those of believers will be substantially exaggerated. As they do on hospital next-of-kin forms, people will tend to register their "faith" at birth - C of E or whatever - even if they have not been to a religious service for years and have no interest in religion. The inflated figures are likely to be used to secure further unwarranted religious privileges.

Neither will the various kinds of parrot or non-believers be accurately counted. Such terms as "agnostic" are too subtle to be registered accurately in census tick-boxes by the head of the household on its behalf.

These questions must be removed from the census.

K. PORTEOUS WOOD  
General Secretary  
National Secular Society  
Biarritz  
London WC1

## IN BRIEF

Sir: Europe is moving towards greater integration and, in general, I welcome that. My motivation is not cheaper food or standardised working hours - it is the hope that we never see another European war. Our process of integration must be similar to the experience of the separate states of America. It is interesting to speculate what would have happened if a state had chosen not to adopt the dollar. Now you can use the US dollar in most countries of the world. How well do you think

you'd get on with, say, Ohio dollars?

NORMAN PATERSON  
Ayrshire, Fife

Sir: Rapid translation, printing and distribution has already rushed *Monica's Story* to our distant corner of France, where the local supermarket has set a pile of it, with what I think in England is called Gallic flair.

right at the heart of a massive display of the *Guide Michelin* 1999, also just out. As you might expect of France, the *Guide* is fast disappearing. *Monica* not.

JOHN LIVINGSTONE  
Biarritz

## Dumb screens

Sir: I wonder what makes me think that Andreas Whittam Smith lives in London ("It's dumb to say that culture is just plumbing the depths", 8 March).

Of the four films he mentioned, only one has been available to us and no, we don't live in the Outer Hebrides, but 40 miles from Marble Arch, with three multiplexes within half an hour's travel.

True, they will probably have one showing each, in a few months' time, on a Monday evening at 7.30, in a slot pretentiously entitled "Director's Chair".

Mr Whittam Smith has fallen for the line that "more" means more choice and a better service for the consumer. We first learned that it doesn't in the 1970s, with the introduction of multi-screen cinemas. "Oh good," we thought, "six screens to choose from, so we'll get the Woody Allen films as well." But no - six screens meant that the blockbusters were shown on three of them, the sex epics on two, and kidstuff on the other.

Try seeing *Bukhara* or *Affliction* this week outside London. It's a *Bug's Life* and *You've Got Mail* at two screens each for the third week running.

GILL JEFFORD  
Thame, Oxfordshire

Sir: Andreas Whittam Smith is correct when he writes of television and "its role as an educator". I don't have TV, never have, but occasionally see programmes courtesy of a friend and have been taught all sorts of things from the commercial breaks. Many of the food advertisements reveal that few people know how to hold a knife and fork.

ROBERT VINCENT  
Andover, Hampshire

## Transplant ethics

Sir: As a staff nurse on a paediatric intensive unit I was very disturbed by Esme Thompson's letter (8 March) about organ donation.

It is now possible to keep a patient's body alive when they are actually "brain dead" and it is these patients who are considered for organ donation. Very strict tests are performed which establish, without a doubt, that the brain stem has been irretrievably destroyed and the patient's body would not function any more without the assistance of machinery. These tests are performed twice and the patient has to fail both times to go for organ donation. If there is any doubt at all then the patient's treatment continues as aggressively as before. Families can, and often do, choose to be present when the tests are performed, and they are explained in detail.

It is very important to keep the organs in as good condition as possible to give the recipients the best chance, and to deprive them of oxygen would damage them; so all support to maintain the organs is continued until organ retrieval is completed.

The time of death is registered as at completion of the first set of tests. The families of patients who donate organs are fully aware of all the implications of organ donation and receive objective advice and full support from nursing and medical staff at what is an incredibly difficult time. Comments such as Esme Thompson's are very damaging indeed.

ANN SKELHORN  
Warrington, Cheshire

## Torture

Sir: Judge Paul Sacco of Colorado punishes teenagers who have their in-car stereos too loudly by making them listen to the music of such as Dean Martin, Henry Mancini and John Denver (report, 8 March). If he were to make them listen to a recording of Harrison Birtwistle's *Panis*, would this not constitute a "cruel and unusual punishment", a breach of their constitutional rights under the Eighth Amendment?

NIGEL BALDWIN  
Portsmouth

## Sire, banish these dark thoughts of yon Duke Gordon!

MORE TODAY of the unfolding saga of Tony Blair, as told in the recently rediscovered Shakespearean masterpiece *The History of King Tony or New Labour's Lost*. Today we kick off with the first known Shakespearean description of the lead-up to Budget Day.

The scene: King Tony's Counsel Chamber, where he is about to receive Duke Gordon Brown. King Tony: [Meditating aloud] God give me strength to deal with Gordon Brown! So restless is he in his daily work I scarce can pin him in a chair to sit Before he twitches to his feet again And roams around the room like a mad prophet. Spilling facts and charts as he declaims. He is a man whose eye is hard to meet - It darts around the room like some mad hare. While his faint smile doth flicker on and off Like lightning on his native Scottish hills. Did I say HIS? I meant, OUR native hills. For I must learn to be a Scot again And catch their hearts when devolution comes...

Perhaps I should have kept my Scottish brogue, as Gordon Brown has done. Oh, damn the rogue! [As he is talking, enter his wife, Queen Cherie]

Queen: Now, sire, do not let yourself come down With darkest thoughts of yon Duke Gordon Brown. Think not of him as rival or pretender - To gain your crown is not on his agenda. He is your Chancellor that's all. He works for you! Tony: And orders what folk may or may not do! He tells MY people how to spend THEIR cash. But I will get the blame if there's a crash!

Queen: Sweet king, sweet king, you must not brood like this. Calm yourself down. Give your dear queen a kiss. King Tony: And let my Chancellor see us embrace! I'll teach the wretch to know his proper place. I'll not have him sneaking round and spying. [Enter Duke Gordon Brown]

Ah, there you are. You see, I've caught you prying.

Gordon Brown: My Lord, I know not what you mean by that.

Tony: Ah, yes? Let us inspect your Budget speech So that I may have some input into it.



## MILES KINGTON

Budget day is fast approaching and all is not well in the court of King Tony and Queen Cherie

Tonight afternoon, as ever is.

Tony: Ah, yes? Let us inspect your Budget speech So that I may have some input into it.

Brown: Too late for that, my lord. I much do fear The speech is writ. I cannot change a thing. Not even for the fancy of a king.

King: [Aside to his Queen] You see? He scarce contains his mockery. He likes me not. He hates my very guts!

Queen: No, no, my Lord! I'm sure it is not so! 'Tis just his manner, which is quite abrupt. I grant his outside look is stiff and cold.

But the inner man may have a heart of gold!

Brown: You speak of gold? Yes, later on I shall

Deal with this matter when I come to speak

Upon the very real and pressing problems

Of international currencies today.



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## PANDORA

IT WAS a people's budget, so Pandora asked some people what they wanted from it. Mrs G Brown of Cambridge: "I hope they don't stop the married couples' allowance." Brown's Night-club: "We want 24-hour drinking and the legalisation of cannabis." The Brownies: "To encourage schools to hire rent free premises, enable local authorities to put more resources into the guide movement, and full VAT recovery for charities."

BACK IN the crazy world of Gordon Brown, his glamorous beloved, New Labour power-broker Sarah Macaulay was having "a normal day at the office", according to an aide, "but the TV will probably be on." Outside the charmed circle, former Brown mouthpiece Charlie Whelan was doubtless preparing for his new Radio 5 Live show Sunday Service next month. One idea getting its tyres kicked is a strand called *Who Wants To Be An MP?*, in which prospective parliamentary candidates are quizzed about their putative constituencies. Does this mean Whelan will be asking hopefuls for Hartlepool whereabouts in London they'll live when they win?

PANDORA'S TOP ten suggestions for Budget 2000: 1. Gordon Brown to open Budget address with voter-friendly statement such as "The following is complete fiction - I have been handsome and popular my whole life." While everyone's puzzling this, slip in 200 per cent corporation tax hike. 2. Relocate Lawrence Five suspects to Falkland Islands in bid to boost trade with Argentina. 3. Distract pesky Tories from impotent social security scrutiny by staging "spontaneous" photo-op with Tara Palmer-Tomkinson. 4. Improve presentation by putting Flat Eric on web-cam to announce New Labour's "more challenging" policies. 5. Fiona Hamilton: everyone's saying she's "the new Charlie Whelan". 6. Miras to be replaced by Mirage, an exciting New Labour Euro-initiative whereby long-term unemployed, juvenile bail bondit and transient asylum seekers are transported indefinitely to Yugoslavia to build a large wall around Kosovo. 7. Tax Furries. 8. Generous breaks for those prepared to house Kate Moss, Naomi Campbell and other superannuated supermodels. 9. Appoint Chris Tarrant Minister



Contact Pandora by e-mail on [pandora@independent.co.uk](mailto:pandora@independent.co.uk)

for Wealth Redistribution; off-message MPs to be subjected to rigorous on-camera probe about their knowledge of New Labour economic policy; those who cannot answer all questions suffer instant "wealth adjustment".

10. Convert Millennium Dome into giant casino-cum-laundromat in recognition of Britain's real global economic role.

WHODATHUNKIT?  
ELIZABETH Hurley  
(pictured) enjoys  
needlepoint.

JUST AS couture houses are trying to rein in supermodels - witness Donatella Versace's recent spats with Naomi Campbell and Kate Moss - so film studios are similarly seeking to control stars' spiralling salaries. Latest victim is ageing love god Warren Beatty. Hollywood honchos are tearing their Armani and putting tooth marks in Philippe Starck desks over *Truth and Country*, the new Beatty vehicle which co-stars the wonderful Gary Oldman. The £40m budget swells daily, with no end in sight insiders say. Part of the problem faced by producer Simon Fields is that three months into shooting Beatty demanded a change of attitude for his character. The only man for the attitude adjustment was Beatty's buddy script doctor Buck Henry, rumoured to be on \$1m golden hello plus \$100,000 a week while cameras roll. Nice work if you can get it.

OL ARCHER, where do you think you're going? London's second-longest mayoral aspirant seemed to be cruising and schmoozing one particular table at Le Caprice in London's Piccadilly last night. Then Joanna Lumley casually drifted past it to stretch her legs as the itinerant Tory MP David Faber cast meaningful glances at the party of five. Among the four women and one lucky guy sat this week's cynosure

Monica L. She wore trademark black trousers and a demure long-sleeved orange top. A Pandora spy asked the cloakroom if Arkansas' answer to Marilyn Monroe had checked a fur coat. "No," she sighed, the bat check girl. "It's a wrap."

Contact Pandora by e-mail on [pandora@independent.co.uk](mailto:pandora@independent.co.uk)

## Wanted: cute puppy with helmet



SUE ARNOLD

In the Eighties I started the group Stop Hounds in Towns for obvious acronyms reasons

If I thought there was any point, I'd go to Crufts tomorrow and get my mother a dog. She's desperate for another one. There is, however, absolutely no point in my schlepping myself all the way to Birmingham because she wants a mongrel. Not just any old mongrel, either. If she can't have one like Boy, then she wants one like this, please, and into my hand she thrust a large, pink, greetings card saying "Happy Birthday Granny" above a picture of a sickeningly cute puppy, straight out of *Lady and the Tramp*, and wearing a policeman's helmet.

I'd better tell you about Boy first. He was Uncle Archie's dog, a big, friendly, black mongrel, mainly labrador with a touch of collie, I think, who arrived one morning unannounced at Uncle Archie's door and moved in. For some inexplicable reason, I liked Boy. I say this because my aversion to most of the canine species apart from guide dogs and working sheep dogs is well known. It was yours truly back in the early Eighties, who started the pressure group Stop Hounds in Towns for obvious acronyms rea-

sons, but that was because I had small children who didn't look where they were going. Getting them to school every morning with clean shoes was a nightmare. One of Shit's more radical aims was to make it compulsory for all dogs to wear licence plates like cars, possibly branded on to their foreheads and backsides with hot irons. That

way, at least, you could take their number and report them.

Sorry, I'm getting carried away. I was telling you why I liked Boy. Uncle Archie's big, black dog, so much. Well, for a start they lived in the country and I have no quarrel with the rural dog. The other thing about Boy was that he knew his place. He didn't leap up at you, two paws on your shoulders, malodorous breath panting in your face, demanding attention. Nor did he roll over on his back, that revolting way dogs wave their legs in the air and expect to be tickled. He was a grave dog with wise eyes who spent most of his time sitting quietly at his master's feet while Uncle Archie read *The Daily Telegraph* from cover to cover in a Georgian winged chair, rising only to pour himself another pink gin.

When Uncle Archie died, my mother, who had by now moved into a brand new granary annexe in our tiny, roses-round-the-front-door country cottage, offered to have Boy as a guard dog. Living alone in an isolated wood made her nervous. It was not enough to install iron bars

and triple-glazing at every mulioned window, or Colditz-style searchlights on every chimney pot. She wanted a dog who would bark at intruders, maybe even bite them.

That was when I realised the other reason I liked Boy so much. He never barked. I don't believe that he knew how. When the bulky, black, menacing figure of the coal woman appeared at the window to ask how many tons of best quality smokeless my mother had ordered yes, we had a coal woman, not a coalman, though you'd have been hard pressed to tell the difference, Boy didn't budge. Grave and wise-eyed, he sat at my mother's feet as she read *The Daily Telegraph* from cover to cover in her Ikea rocking chair, rising only to pour himself another pink gin.

The final straw was when my mother left him in the car for half an hour while visiting a friend who is allergic to dogs. On her return, she found Boy finishing off the last seat-belt, having demolished the seats down to their springs, and pretty much everything else except for the sticker on the rear window saying "I have given a home to a Battersea dog", at which a small crowd of onlookers were peering with interest. Boy was taken reluctantly back to Battersea and my mother, as I said earlier, is now desperate for another dog.

So where's that birthday card? Wanted, one sickeningly cute man-grel puppy with helmet.

## If we paid our fair share in Nato, we'd have more say



RUPERT CORNWELL  
It is preposterous that Europe does not contribute more to its own shared defence

LET THE jousting begin. Stealing a month's march on the anniversary itself, which falls on 4 April, our own Royal United Services Institute this week has been holding the first celebration, a three-day conference entitled "Nato at 50", which concludes today. Holding forth in one of London's most magnificent settings, beneath the Rubens ceiling in the Banqueting House in Whitehall, the A-list of Western defence ministers and military brass has been waxing, as appropriate, self-congratulatory, reflective, and visionary on the future of what it is customary to describe as "the most successful alliance in modern history".

In America in a few weeks' time there will be more of the same: a sell-out birthday summit in Washington, a ceremony at Fulton, Missouri (of Winston Churchill and "Iron Curtain" fame) marking the entry of Poland, the Czech Republic and Hungary as new members; and finally promulgation of a mission statement - or "strategic concept" as it is more properly known - setting out what Nato should be up to for the next half-century.

Bill Clinton, the driving force behind enlargement, can be counted upon to use the occasion to talk up his otherwise modest foreign policy achievements, and to promote his desired successor Vice-President Al Gore. But this is a party that could go terribly wrong.

In the first place, of course, there is Kosovo. Conceivably everything will be well by April: faced with the threat of bombing, Belgrade will have given its grudging consent to the peace deal, and Nato peacekeepers will be running the Serbian province, as they have Bosnia for three years, as a quasi-protectorate. But, if not, either punitive air strikes will be in full swing, or war on the ground will be resumed - either eventually proving that an alliance that saw off the Soviet Union with

out firing a shot in anger is incapable of settling a squabble in its own backyard. Which leads to larger and even more troubling questions: What is Nato for? And do we and the Americans need it at all?

We know what it was for, of course, back in 1949, at the start of the Cold War: to protect the security of non-Communist Europe - in the famous coinage of the time, to "Keep the Americans in, the Germans down and the Russians out".

But now? The Russians are not so much out as down and out. The Germans are neither down nor up, but melded into a wider Europe that is as rich as America itself. America meanwhile is still in, and insistent that if it provides most of Nato's muscle, it will call the shots.

As for wars, the most visible ones around the North Atlantic these days are commercial and economic, in which Europe and the US are not allies but adversaries. Today bananas and landing rights for Concord tomorrow, quite possibly, a struggle for supremacy between the dollar and the euro that could shake the world's financial order to its foundations.

And more subtly, this rivalry is reflected in the argument over Nato's future. With Europe's problems (pace Kosovo) wrapped up, Washington argues, let us move "out-of-area": if not to Sierra Leone and East Timor, then at least to regions that abut Europe, such as the Middle East and the Caucasus, and in which it has a strong security interest. Nato would also adjust its focus to the threats of the post-Cold-War era, such as drugs-trafficking, terrorism and the illicit proliferation of nuclear, chemical and biological weapons - a function that perhaps would transform it into a kind of global policeman.

Europe, though, is chary. One reason is sheer parochialism, the result of a half-century-long dependency culture in security matters, when the problems that mattered were automatically handled by the US and the old continent quietly got on with making itself rich. But another and altogether more legitimate worry is at work: that "out-of-area" would turn the alliance into an alternative to the United Nations, operating at the behest of a Washington whose impatience with the UN and all its works is well known.

Nato, in other words, would simply become a vehicle for implementing America's global policies, unencumbered by such niceties as Russian and Chinese vetoes. And this is why Italy and France (not to mention Russia), are so uneasy about bombing Yugoslavia - treating, as it does, a universally recognised part of its sovereign territory without the prior approval of the UN.

But if Nato's original job is done, and "out-of-area" causes so much grief - then why not wind the whole thing up, just as the Warsaw Pact was wound up, and turn the April festivities into a nostalgic retirement party? Instead of Nato, why not different alliances to deal with different problems on an *ad hoc* basis?



Nato Supreme Allied Commander General Wesley Clark (left) with General Klaus Naumann

But this, too, is a non-starter. For one thing, it would be grossly unfair and insulting to the three newcomers. The Russian threat may have been extinguished for a generation; but membership is the very least we owe Poland, Hungary and the Czech Republic. They are surely due a copper-bottomed guarantee that, after a 20th century of invasion and occupation, from West as well as East, they are finally part of an Atlantic security structure.

But ending the alliance would also be wrong for another reason. For Nato has another, less obvious virtue: it protects its members from themselves. Had they not belonged to the alliance, Greece and Turkey would surely have gone to war at least once in the last half-century, over Cyprus, Aegean rights or whatever. Something similar applies to the growing frictions between the European Union and the US.

It may be fashionable to see Nato as another arm of American imper-

ialism, one more forum in which an arrogant, unchallenged superpower imposes its will. In truth, though, the present shape of the alliance has less to do with Washington's bullying than with a chronic European lack of self-confidence.

It is preposterous that Europe does not contribute more to its own shared defence. If it were to begin doing so, then a greater share of the burden would entitle it to demand changes in the command structure, just as the French not long ago requested. The Anglo-French agreement last December in St Malo, which could become the kernel of a genuine European defence identity, was an overdue step along a path that could, and must, lead to a Nato that is a partnership of equals. If the Americans don't like it, then too bad. But if next month's Washington jamboree produces the recognition that something along these lines is needed, the birthday party will have been worth it.

## THE INDEPENDENT

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## Europe started the 'banana war'

AS WE have announced, the US actions under discussion today ensure that the United States will be able to implement the arbitrators' decision. Our President addressed the issue over the weekend and I think his statement is appropriate for all of us today. The President said: "It's not really about bananas, it's about rules. We cannot maintain an open trading system, which is essential to global prosperity, unless we also have rules that are abided by."

This is the second time this year that the EC has requested a meeting of the General Council to claim that the US is acting outside the bounds of its World Trade Organisation (WTO) obligations. But let's take a moment to remember why we are really here.

As the President said, the reason is because the EC has failed to implement a WTO-consistent banana regime within a reasonable time. We wouldn't be here today if the EC had simply brought its banana measures into conformity with its WTO obligations.

We also wouldn't be here today if the EC had shown

some respect for the plain meaning and purpose of the WTO dispute settlement system. The real danger of undermining the WTO dispute settlement system lies in the European Commission. Unfortunately, the community hasn't got the message that it has to implement the results of dispute settlement proceedings even when it is not convenient for the community.

The EC has repeatedly claimed that its banana regime is consistent with its WTO obligations. If the EC is correct and is really convinced that the arbitrators' report will determine that no benefits accrue to the United States have been nullified or impaired by the regime, the EC should encourage its exporters to continue shipping to the United States.

The United States has said repeatedly that we will comply with the arbitrators' decision. We reaffirm that here today.

Therefore, if the EC's banana regime both is WTO-consistent and causes no nullification or impairment of US benefits, the EC can and should be confident that its goods will not be subjected to any increased duties at the time entries of the goods are liquidated. I would like to ask the EC about one of the concluding sentences in its communication to the General Council. The EC claims that "we have all invested too much in the new dispute settlement system to allow it to be destroyed by irresponsible unilateral action". I have to ask, "EC, what have you invested?"

The US has fully implemented three adverse Dispute

Settlement Body recommendations, and is in the process of implementing a fourth. Members other than the EC have also implemented adverse DSB recommendations. But what has the EC done other than put itself outside the WTO dispute settlement system by refusing to implement a WTO-consistent banana regime, and attempting to abuse the procedures of the Dispute Settlement Understanding?

Some have asked why we have taken these steps now, and why we do not wait the two weeks or so until the arbitrators' report is due. Mr Chairman, we have waited seven years, as the EC has tweaked its system a bit here, a bit there, and when found non-compliant, has tweaked yet again.

Not only has the EC used every single delaying tactic available under the rules of the system, but it has also invented new gimmicks along the way - all as a result of its compulsion to stall for time.

The creativity and ingenuity shown by the EC in this endeavour have been impressive. The EC has also demonstrated that it is willing

to take tremendous risks with the system. The energy that the EC representatives have shown themselves capable of in this destructive enterprise is something to wonder at. It is a pity that the EC could not have used all of this talent and energy to bear on developing a WTO-consistent regime that could resolve the banana dispute. If the EC had done so, Ambassador Abbott could have justifiably claimed that the EC, too, has made an investment in the dispute settlement system.

Finally, in closing I acknowledge Ambassador Abbott's comment that this is a serious matter. I also note his comment about "if the cap should fit..." I've raised three children and his remark about caps put me in mind of my reading of the well-known Dr Seuss book *The Cat in the Hat*.

The EC reminds me of the "Cat in the Hat" who delighted in leading others into mischief while escaping the consequences himself. It seems the EC, after its long history of evading its WTO obligations in this area, is uncomfortable that at the end of the day, it may be held accountable.

## PODIUM

RITA D HAYES

From a speech by the US representative to the World Trade Organisation on the banana imports dispute

to take tremendous risks with the system. The energy that the EC representatives have shown themselves capable of in this destructive enterprise is something to wonder at. It is a pity that the EC could not have used all of this talent and energy to bear on developing a WTO-consistent regime that could resolve the banana dispute. If the EC had done so, Ambassador Abbott could have justifiably claimed that the EC, too, has made an investment in the dispute settlement system.

The EC reminds me of the "Cat in the Hat" who delighted in leading others into mischief while escaping the consequences himself. It seems the EC, after its long history of evading its WTO obligations in this area, is uncomfortable that at the end of the day, it may be held accountable.

Jeff Morris 15/5/00

elmet

# Of queers, poofs and politics



DEBORAH ORR

*There's an ideological clash between good gay sex (think 'Philadelphia') versus bad gay sex (think 'Queer As Folk')*

I'M ON Westminster Bridge in the middle of the freezing night with only a camera crew and a big pool with a huge projection for company. We're all here to make a protest against the continuing presence of Section 28, the notorious amendment to the Local Government Act 1988 which bans local authorities from "promoting homosexuality".

The big poof in question, writer and journalist Paul Burston, is playing a 100-foot high slogan, Why 28?, on to the Houses of Parliament, while the crew of the independent production company, Just Television, is playing its cameras on to him. The sequence will provide the climax to Burston's polemical film attacking New Labour's record on gay rights, *Tony's Fairy Tales*, which will be screened on Channel 4 on Saturday night at 7.30pm.

Like the responsible media protester she is, the producer of *Tony's Fairy Tales* has already rung the police to tell them what we're up to. Disappointingly, the police haven't even driven past to check on us. How times change.

A decade ago, Burston made another stand on Westminster Bridge. He and fellow members of the now-defunct radical pressure group Act Up chained themselves together across the bridge, stopping the traffic in protest against the withdrawal of Aids funding from local education authorities.

The whole display was broken up quickly, neatly and hilariously when the police arrived with a big van and a pair of industrial wirecutters. Snipping the nancy boys apart one by one, the police marched them methodically into the big van while they stood meekly in line waiting to be destroyed, like the pearls before swine that were.

The car-driving public cheered and booted, the police could barely suppress their giggles, and even the angry young taggots realised they should have seen their humiliation coming. There were no television cameras to record the event. This was still the Eighties after all, and gays were not quite the media darlings they are today.

To the average man-who-sleeps-with-women in the street it must appear that gay dominance of the political and cultural agenda is complete. Not only is it a matter for some comment when an MP is exposed as a raging heterosexual - see Robin Cook - but it's also permissible for graphic scenes of underage gay sex to be transmitted into the nation's living rooms not once but twice a week in *Queer As Folk*, and with sponsorship from - of all things precious to the *Loaded* lad - a lager company.

It's true that gays and lesbians did make astonishing progress during the



Paul Burston on Westminster Bridge: challenging Labour's record on gay rights

Channel 4 Television

Thatcher years in terms of visibility and acceptability. Homophobia, though still a frightening, sometimes fatal threat to many gays, is much less routinely acceptable than it once was. While it would be nice to believe that this progress could be something to do with pluck in the face of adversity - and certainly the gay and lesbian communities galvanised themselves behind both the Aids crisis and Clause 28 - their cultural triumph has been far more to do with the growing economic power of gays and lesbians, who have large disposable incomes which all sorts of parties have been only too keen to relieve them of.

In mainstream politics, though, gays and lesbians have become cautious, haunted by their special place on the moon left of old. While there are an impressive number of

gay and lesbian MPs, few of them overtly champion gay issues. Many of their counterparts in gay politics now seem to be taking the lead from them. Therefore, some of the most vociferous protesters against Channel 4's gay soap, *Queer As Folk*, have been gays and lesbians, who rail against the irresponsibility of televising scenes of every mother's nightmare - the 15-year-old Nathan being seduced by an older man just weeks before the age of consent bill is referred to the Lords.

In fact, it is unlikely that any kind of irresponsibility at all will deter New Labour from their commitment to delivering an equal age of consent for heterosexuals and homosexuals. Every poll shows that this is contrary to the will of the people, while it is likely to be the creepy Chris Woodhead, the fact remains that the existence

of the Lords. But the signs are that New Labour will nevertheless invoke the Parliament Act and ensure that gay and lesbian teenagers stop being jailed at 16, the same time as their straight contemporaries.

While this may look like exemplary championing of gay rights, it makes it all the more curious that Tony Blair wouldn't introduce the whip on the issue, declaring instead that discrimination on grounds of sexual preference was a matter for personal conscience rather than party policy.

And there's the curious rider which has been introduced to assuage parental worries about paedophile schoolmasters corrupting their boys. While the first person to have fallen foul of the publicity around this happens to be the creepy Chris Woodhead, the fact remains that the existence

of this amendment suggests that while the Government believes that predatory male heterosexuals are not a danger to schoolgirls of 16, predatory male homosexuals are a danger to schoolboys of the same age. The reason given for this is that "girls mature faster than boys". A convenient belief for men who like young flesh, but hardly relevant to debate on equality.

What's really happening is that there's an ideological clash between good gay sex - think *Philadelphia* - and New Labour generally - versus bad gay sex - think *Queer As Folk*. Ron Davies and Tom Spencer. Moderate gays and lesbians wish to play down the excesses of gay sexuality in order to gain equality, while more upfront gays and lesbians - such as my chum Paul Burston - think that gays and lesbians should be honest about the details of the wilder shores of their collective sexuality because it is irrelevant to the human rights issues around homophobia.

Burston himself is pro *Queer As Folk*. Defending the programme in his weekly column in the London listings magazine *Time Out*, he declared: "Nathan is 15, fully aware of his sexuality and determined to do something about it. The fact that the man he has sex with is nearly twice his age and a bit of a tosser is hardly the issue. What's important is that Nathan makes the choice and the experience leaves him feeling empowered..."

This may be a difficult idea for Britain's beleaguered parents to get their heads round. But the fact is that the young gays that Burston is concerned about are not the non-fictional Nathans of this world.

Instead he wishes the law to protect vulnerable young gays, who are taunted at school and confused about their sexuality. One in five gay teenagers at present attempts suicide, and under Section 28 it's a grey area in the law as to whether they're able to approach a teacher to discuss such feelings, and effectively against the law for a teacher to develop strategies to combat anti-gay bullying. This is what "promoting homosexuality", the inflammatory words of Section 28, mean in reality.

Burston also wishes to protect older gays and lesbians from wider discrimination, with an extension of the Crime and Disorder Bill's tough penalties against race hate crimes to cover homophobic crime as well as the introduction of a Sexual Orientation Bill which protects gays and lesbians against discrimination in employment, housing and the provision of goods and services; and to make gays and lesbians to be able to join the armed forces.

These measures, I think, do need to be enshrined in law with the utmost speed, which is why it's safe to assume that Burston's attack will be pretty embarrassing to the Government. None of the many New Labour ministers invited by Burston to take part in *Tony's Fairy Tales* took him up on his offer; though Chris Smith was perfectly charming when he was buttonholed while making a speech at the inauguration of Maggie Hambling's statue of Oscar Wilde.

As well he should be. Oscar Wilde has been dead for almost a hundred years. He was jailed for "gross indecency", a charge which still exists in the Crime and Disorder Bill as a specifically gay crime. If Wilde were with us now, this homophobic law could be invoked to ensure that his whole sad and destructive story was played out again in much the same way. How little we learn in a century.

## RIGHT OF REPLY

KEVIN CAHILL

The chief executive of Comic Relief responds to Terence Blacker's criticism of the celebrities who work with the charity

TERENCE BLACKER's piece in yesterday's Review section of *The Independent* is utterly depressing. Does he really find it impossible to believe that there are people who can really do things for altruistic reasons?

There are those people who actually do care what happens to the many thousands living in squalor poverty around the world, or facing disadvantage and discrimination here at home in the UK.

Comic Relief was founded by comedians who have spent 12 years trying to make a difference. They are neither short-termist nor opportunist. I have never in all my time working with the charity met one single artist who does it to build a career. It is an absurd notion. To build a career as a comedian you have to be funny, period.

Lenny Henry went to Somalia when it was the most dangerous place in the world. He did not do it to look good but to raise the profile of the poorest people there who were struggling to get on to the media agenda. And there's the rub. The media are celebrity-obsessed. I can't begin to number the times a journalist has lost interest in a story because I can't attach a celebrity face to it.

Let's get real here. The media tribe are the very people feeding the celebrity frenzy, and if we want to keep poverty and social justice on the agenda, we have to play the game.

No, Terence Blacker, this week is not a showbiz thing. It is a fundraising thing because we live in a world where there isn't enough cash to support the most vulnerable and disadvantaged.

I for one, am proud of the efforts made by comedians to give something back and who need knocking articles like a hole in the head. Self-interest? He must be joking.

# Missing out on the macabre

## WEDNESDAY BOOK

### CAMILLE SAINT-SAËNS: A LIFE

BY BRIAN REES.

CHATTO &amp; WINDUS. £30



HOW MUCH do we know about Camille Saint-Saëns? Well, everyone knows he wrote *Le carnaval des animaux*, and opera-lovers still flock to his patchily magnificent *Samson et Dalila*, but beyond those works - and maybe *Danse macabre* - lies a cloud of unknowing. For a household name, Saint-Saëns remains a remarkably well-kept secret.

For this, the musical establishment is partly to blame. For the man who systematically rubbish his younger colleague Debussy - and then had the nerve to outlive him - no grave could be too deep. As one music historian brutally put it: "In 1921, Saint-Saëns died, full of years and malice." He may never have composed "great" music, but he was extraordinarily prolific, and much of his work

was indisputably good. *Le carnaval des animaux* was a private joke tossed off on holiday, and its success so mortified him that he forbade its performance as long as he lived.

In these barrel-scraping days, it's only a matter of time before he gets his reappraisal, his revival and his re-interment with a six-gun salute.

But six-gun salutes were also part

of the problem, for Saint-Saëns was the French musical equivalent of our English poet laureate, and posthumous oblivion is always the fate of those who become too familiar. Moreover the First World War turned him into a fire-eating patriot, giving concerts for war charities, calling for a ban on German music, and publishing a piano accompaniment for his own translation of the British national anthem. Born a mere eight years after the death of Beethoven, Saint-Saëns could never have adjusted to the fractured uncertainties of the age of Schopenhauer and Freud.

Brian Rees begins his biography with a ringing defence of Saint-Saëns's honest populism. In contrast to the outspokenly elitist Debussy, who opposed programme notes and feared that the gramophone might make art "too democratic", Saint-Saëns eagerly embraced these things, and made a point of giving concerts in culture-starved industrial towns.

His music was frequently used for silent films, and when the talkies emerged he was the first major composer to lend his talents, jotting down musical ideas as the images unfurled. Co-founding a society to support home-grown talent, he helped create the great efflorescence of French music around the turn of the century.

He was a great teacher and bringer-on of talent: without his encouragement, Gabriel Fauré might never have composed a note. And as a musician Saint-Saëns was remarkable from the outset, learning to play at two-and-a-half, being hailed as the new Mozart when he was 10, going on to

become the second most celebrated pianist in the world after his friend Franz Liszt. To increase his manual agility he sent electrical shocks up and down his arms; while travelling by train he practised with a silent keyboard balanced on his valet's knees.

But he was nice to these valets; some say they were lovers too. This brings us to the central Saint-Saëns mystery, which centres on his tragically repressed personality. Here is the real challenge facing biographers, and Rees fails it miserably. It's not so much that he excludes facts - though many remain locked away in archives. It's more that he fails to grasp their import. Singing falsetto in pink tights at soirees he dismisses as a typical "19th-century revel". The extraordinary moment when Saint-Saëns and Tchaikovsky - both middle-aged - did an impromptu ballet together on the Paris Conservatoire stage is recorded without comment.

Rees recognises the trauma the composer suffered when his two small children died within six weeks of each other but he seems only dimly aware of the composer's stunted emotional life. Consider this letter, which Saint-Saëns received when he was 35 and was suffering understandable pre-concert nerves: "Dear Friend, You make me ill with your fears. I used to think you a man, you are merely a coward... I thought I had brought up a man. I have raised a mere girl of de-generate stock."

The author of this tender missive was the composer's mother, with whom he was still living. No biogra-



The tenor Jose Cura as Samson in Saint-Saëns's 'Samson et Dalila'

pher could ask for a clearer signpost, yet for Rees this merely "casts a harsher light upon her supervision of his career".

What made Saint-Saëns leave his wife? "A fit of bad temper," says the incurious Rees. Why did the composer spend so much of his later life in Algiers? Rees plausibly suggests it was for health reasons, and tells us nothing about how he passed his time there, or with whom. Rees does hint at the weirdness of Saint-Saëns's relationship with his pianist-protégé Leopold Godowsky, but he prefers to explain their bizarre ménage in terms of mere artistic compatibility.

Inside this fat, bland book with its exhaustive history and laboured musicology, you sense a thin, mean book waiting to let loose. The story it told would dwell firmly in the realm of morbid psychology.

MICHAEL CHURCH

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## WEDNESDAY POEM

THE BOYS  
BY ROBERT CRAWFORD

In the chapel at Stephen's memorial service  
I saw his two wee boys across the aisle

Like dolls. Their mother had her arms around them.  
One of them started singing "Happy Birthday"

At the benediction. Afterwards, he told me  
How they'd holidayed at Butlin's, riding donkeys

And a motorbike. He tugged a grey, felt hippo  
With very small ears, abruptly started laughing.

Then crying out, just shouting for his brother;  
"Wayhayhayhayhayhayhayhayhay!"

Across the formal, patterned, deep-pile carpet  
Among dark-suited and dark-stockinged legs.

This poem comes from Robert Crawford's fourth collection,  
*Spirit Machines* (Cape, £8)

# Harry Blackmun

HARRY BLACKMUN was perhaps the most striking example of an increasingly common figure on the modern United States Supreme Court - a justice chosen in the belief he is a safe conservative, but who over his career on the bench moves steadily to the court's liberal wing.

Blackmun was selected by President Richard Nixon on 14 April 1970, after the Democrat-controlled Senate had rejected two earlier nominees to fill the seat vacated by Justice Abe Fortas, who had resigned under pressure almost a year earlier. At that time Nixon did not hide his desire to create a more right-wing court after the libertarian activism of the Earl Warren era.

Warren Burger, Blackmun's childhood friend from Minneapolis and a proven conservative jurist, had just been elevated to Chief Justice, and the Republican President wanted another 'strict constructionist' - i.e. a judge who follows the narrowest interpretation of the constitution - to seal the desired new complexion of the court. Blackmun, a cautious federal appellate judge, seemed to fit the bill perfectly. On 12 May 1970 he was sworn in, the 36th man to sit on the highest bench in the land.

But within three years he had earned himself a place in history by writing the landmark *Roe v Wade* ruling which for the first time confirmed a woman's right to have an abortion. With the passing years, the 'conservative' emerged as the most liberal voice on the high court. In 1992, two years before he retired at the age of 86, it was his casting vote which preserved the abortion ruling by a 5-4 margin. And, almost at the very end of his tenure, Blackmun took the most unusual step for a sitting justice of making public his position on a burning issue of the day, in this case his opposition to capital punishment under all circumstances.

Had Nixon and his advisers looked a little closer, they might have predicted what would happen. Blackmun's political leanings might

have seemed Republican. But his ancestry, largely German and devoutly Methodist, suggested caution and humanity. Minnesota, the state in which he grew up, has always been one of the most progressive and tolerant in the US. While his closest friend at elementary school, a colleague on the local newspaper round and lifelong tennis partner might have been Warren Burger, Blackmun never hid his sympathy for Hubert Humphrey, elected Mayor of Minneapolis in 1945, and later US Senator Vice-President, and the unsuccessful Democratic opponent of Nixon in the 1968 race for the White House.

Humphrey, it is said, was at least

**Blackmun took the unusual step for a sitting justice of making public his opposition to capital punishment under all circumstances**

as responsible as Burger for the appointment in 1959 of Blackmun, then general counsel for the Mayo Clinic in Rochester, Minnesota, as a federal judge on the eighth circuit of the US Court of Appeals, seated in St Louis, Missouri. Blackmun's judgements, covering a swathe of the Midwest from North Dakota as far south as Arkansas, also gave a taste of what was to come. Though he was regarded as conservative on matters of crime, and considered a supporter of capital punishment, he was liberal on other matters. Among

his appellate rulings were that the Communist Party be allowed on the Minnesota state ballot, that the leather strap be banned as a punishment in Arkansas jails, and that the state speed desegregation in its schools.

The new associate justice of the Supreme Court therefore had given clues as to what he might be about. And as with other justices before and since, Blackmun found his elevation a liberating experience. The appointment after all was for life. A justice might be picked by a President, but thereafter his only duty is to the law and his own conscience, not to a patron or political party. Slowly, Blackmun's personal philosophy became clear, as a dogged defender of civil rights, and a firm believer in the separation of church and state. By the late 1960s, he and Thurgood Marshall were the most reliable liberal standard-bearers on the court. By 1993 he was the sole dissenter to a court ruling denying asylum hearings to refugees from Haiti.

Abortion however is the issue for which he will be remembered. The 1973 opinion which occupied

Blackmun

for a full year argued that the constitution protected 'a right of personal privacy' that in turn covered a woman's right to end a pregnancy. Backed by a 7-2 vote, the ruling put an end to the criminal punishment for abortion which still applied in many states. But the outcome led directly to America's impassioned anti-abortion movement, and an emotive, sometimes violent, national debate which persists to this day.

He was the victim of hate mail and death threats. 'Butcher of Dachau, murderer, Pontius Pilate, King Herod - you name it, I've been called it,' Blackmun said later. As the court moved steadily rightward under the current Chief Justice William Rehnquist, abortion rights came under mounting threat. The 5-4 vote in 1992 just held the line however, and today, thanks to the appointment by President Clinton of the liberals Ruth Bader Ginsburg and Stephen Breyer to the court, its

Blackmun was Associate Justice of the US Supreme Court from 1970 to 1994

## Barbara Dodwell

BARBARA DODWELL was a medieval historian, editor and archivist of great distinction.

Her lifelong passion for the study of the past and its monuments owed much to the influence of her father, who served as Curator of the Madras Record Office before returning to England to the Chair of Indian History at the School of Oriental and African Studies in London University. It was to Bedford College in the same university that Barbara Dodwell went in 1931. But it was the medieval past which caught her attention. Her MA thesis on 'The Sokenes of the Southern Danelaw', submitted in 1936, was awarded the first mark of distinction given by the university for 10 years.

After a number of years tending her mother, she was appointed to a lectureship at Exeter University before moving to Reading in 1948 where she remained until her retirement in 1977, being promoted to Reader in 1962 and acting as Director of the Graduate Centre for Medieval Studies from 1974 to 1977. She played an important part in developing Reading's reputation in the medieval field.

Dodwell was a much-loved and much-respected teacher. As Professor Sir James Holt recollects, 'She was a fine lecturer with a voice which could shift from the soft and delicate to the emphatic and ironic as her mood and the subject-matter required.' She knew how to be firm yet also encouraging with those in her charge, being prepared to spend much time guiding and helping students to fulfil their potential. She inculcated in others her own high standards of argument and exposition, an attention to detail, and a genuine love of the period.

Dodwell was brisk and business-like in the discharge of administrative duties, and observed the sometimes heated discussions of the changes brought about by the expansion of the department in the 1960s with an amused glint in her eye. She was also generous in the time and assistance she gave, especially to younger colleagues. Even as she prepared to depart for retirement, she guided me through the perils of



Corbis

Few minds were changed by his conversion. But that he acknowledged it in public exemplified the honesty and dignity of one of the most distinguished American jurists of his generation.

RUPERT CORNWELL

*Harry Andrew Blackmun, judge; born Nashville, Illinois 12 November 1908; Associate Justice of the US Supreme Court 1970-94; married 1941 Dorothy Clark (three daughters); died Arlington, Virginia 4 March 1999.*



Dodwell: painstaking

teaching medieval social and economic history, and passed on useful materials as well as insights gathered over a long and committed career of academic service.

At the time of his ridiculous early death, from meningitis, his intellectual vigour was undimmed, harnessed as ever to his catholic tastes: he was working on a book that applied his Schenkerian methodology to rock and pop music, based on one of his courses of lectures at California State University, Fresno, where he had taught since 1982; the manuscript may be far enough advanced to allow eventual publication. In the interim, *The Gershwin Style: new looks at the music of George Gershwin*, a collection of essays with a chapter from Steve Gilbert, appears this month.

MARTIN ANDERSON

*Steven Edward Gilbert, musicologist; born New York 20 April 1943; married 1977 Patricia King (two sons); 1993 Lory Hause; died Fresno, California 26 February 1999.*



Bioy Casares: fantasy is reality

figure which he found extremely difficult to refuse.

ANDREW GRAHAM-YOOL

*Adolfo Bioy Casares, writer; born Buenos Aires 15 September 1914; married 1944 Silvina Ocampo (died 1993; one daughter deceased); died Buenos Aires 8 March 1999.*

ANNE CURRY

Barbara Dodwell, historian and archivist born 17 April 1912; Reader in History, Reading University 1962-77; Director, Graduate Centre for Medieval Studies 1974-77; died Norwich 15 February 1999.

## Steven E. Gilbert



Gilbert: the Gershwin style

student but also of his career as a mature scholar and musician. Some people just didn't know what to make of him.

It was through his studies with Forte that Gilbert became a 'Schenkerian'. Heinrich Schenker (1868-1935) was an Austrian music theorist whose writings have proved extremely influential in the latter half of the 20th century, particularly in American universities. Schenker's approach, Gilbert argued, was

useful in depicting basic melodic, contrapuntal, and harmonic structures. A Schenkerian graph will highlight the main melodic outline of a piece or song along with the large-scale progression of local key areas. At the same time, it will point out certain details - melodies, parts of melodies - that relate to the larger picture in some significant way.

Gilbert was to remain faithful to this methodology throughout his career, a sympathy that was to lead to a best-selling textbook, written with Allen Forte. Schenker himself never put down his ideas in a systematic presentation that could be used for teaching. Forte and Gilbert set out explicitly to fill that gap and their *Introduction to Schenkerian Analysis*, published in 1983, has been continually in print since then, forming part of the diet of thousands of undergraduate students.

*The Music of Gershwin* (1993),

which took 10 years to write, applied Schenker to what might have appeared, to some musicologists, an unlikely subject. Gilbert's aim was 'to discern and delineate those structural traits that make the melodies of George Gershwin memorable' and he succeeded brilliantly in demonstrating the sophistication and skill that went into the composition of music that always strikes the ear as fresh, even in the best sense' of artless.

Gilbert's concern was to take his reader with him, and he explains as he proceeds, though inevitably the argument soon enters fairly thick theoretical undergrowth. When I once commented that it required considerable musical literacy to follow his exposition, his response was typically good-natured and generous: 'In retrospect, a little less musical literacy on my part would have been more profitable.'

Gilbert was an enthusiastic member of the Sommeck Society for American Music, writing with especial understanding on the music of Carl Ruggles, the ultimate individualist outsider. Ruggles's oo-noo-noo honesty struck a chord with Gilbert, whose conservative-libertarian views frequently ranked with the woolly, leftish leanings of many of his

colleagues. American academia is a highly politicised environment, where dissent is often dismissed with illiberal narrow-mindedness. But Gilbert joined debate with gusto, particularly where he suspected some knee-jerk political correctness was impeding logical, reasoned thought, and politicised sentimentality disguised as bleeding-heart social conscience regularly attracted his good-humoured censure.

However, his manner so skilfully balanced bluntness and courtesy that he always retained the respect of his intellectual adversaries.

Indeed, Gilbert's writing, even in a format as casual as the e-mail (and he was a prolific e-mailer), always sparkled with wit, and his generous personality was immediately communicative via the computer screen: hundreds of scholars all around the world - people who never met him - now feel they have lost a close, genuine friend.

His interests stretched well beyond his formal preoccupations. He was, for example, a former president of the Posa Society, and at the time of his death was considering starting a sideline in the restoration of antique fountain pens. He was also, as he put it, a 'cocktail pianist',

and a concert reviewer with an invigoratingly independent mind.

The first chapter of his *Gershwin* book begins with a sentence that its author could have written of himself: 'George Gershwin died young, as if he knew he had little time.' Having had a heart bypass operation in his early forties, Gilbert was probably aware of the parallel.

At the time of his ridiculous early death, from meningitis, his intellectual vigour was undimmed, harnessed as ever to his catholic tastes: he was working on a book that applied his Schenkerian methodology to rock and pop music, based on one of his courses of lectures at California State University, Fresno, where he had taught since 1982; the manuscript may be far enough advanced to allow eventual publication. In the interim, *The Gershwin Style: new looks at the music of George Gershwin*, a collection of essays with a chapter from Steve Gilbert, appears this month.

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## Adolfo Bioy Casares

THE WRITER Adolfo Bioy Casares will perhaps be known best outside of Argentina as the friend and co-writer of Jorge Luis Borges, a friendship that began in 1935 and lasted a lifetime.

Bioy Casares was a stylist and for this literary ability and for his considerable output, he won the Cervantes prize, Spain's equivalent to the Nobel prize, in 1990.

His main novel, *The Invention of Morel and other stories* (*La invención de Morel y otros cuentos*), published in 1940 in Buenos Aires and by the University of Texas in 1961, won him the prestigious Buenos Aires Municipal Prize the following year. The book is now a classic in Argentine and Latin American literature. It is an exercise in the use of all the imaginative resources of the novel, eventually to result in a story about curiosity and ideas more than about events. Critics also place his *Dream of the Hero* (*Sueno de los Héroes*), pub-

lished in Buenos Aires in 1954, and by Quartet in London in 1987 - which the film maker Sergio Renán took to the screen two years ago - as his best novel.

However, Morel has almost become a synonym of the author, as it was his best known. *Diary of the War of the Pig* (*Diario de la Guerra del Cerdo*), published in Buenos Aires in 1969, and by McGraw-Hill in New York in 1973, was the third of his main fiction titles.

Along with Borges, Ernesto Sabato and Manuel Mujica Láinez, Bioy Casares will probably remain, after the likes of poet Leopoldo Lugones and very few others, in the gallery of literary giants produced by Argentina in this century.

Bioy Casares said his life was about fantasy because in a country where politics had everything to do with personal whim, fantasy was the only reality. He enjoyed a way with words which at times seemed

deprecating. His writing had ranged from the sublime, in *Morel*, to the ridiculous, as in 'A Brief Dictionary of the Posh Argentine' (*Breve Diccionario del Argentino Exquisito*, 1978). Solemnly, he once told a friend, what people confuse with being profound.

Even in his old age, after the death of his wife, Silvina Ocampo, in December 1993, and before that of their only daughter, in a road accident, he was still able to conjure a mixture of mischief and scandal. Two years ago he published a collection of love letters from his youth. Unfortunately, when he went to London in the early Nineties to deliver the annual 'Borges Lecture', organised by the Anglo-Argentine Society, he was too frail and ill to show much of that lifelong spark.

Born as the First World War broke out, but into a comfortable land-owning family, Bioy Casares started out studying law, then moved to the school of philosophy and letters at the University of Buenos Aires. He enjoyed most was playing tennis. He played the game until he was 74.

This self-irony was almost out of style with the society he grew up in, but which he managed to manipulate to his own benefit. He belonged to a generation where the upper middle and wealthy classes indulged in extended travel to Paris, Rome and London and other European capitals which they felt were at the heart of the arts and literature.

His social group was for many years Argentina's establishment writers and artists who had as their core the magazine *Sur*, founded and led by his sister-in-law, Victoria Ocampo, better known than his wife but considered the lesser writer of the two sisters.

His friendship with Jorge Luis Borges was not only long, but has entered Latin American literary legend. With the pen names H. Buston Domèc, B. Suarez Lynch, and B. Lynch Davis, they produced a series of satires on contemporary customs and a series of crime stories.

Between 1945 and 1960, Bioy Casares and Borges ran a publishing venture which started with the writings in translation of Cecil Day-Lewis and included Joseph Conrad, H.G. Wells and Henry James. And together they compiled numerous anthologies and a series of annotated classics. As Borges increasingly lost his sight, Bioy Casares became his eyes in their joint output.

Surprisingly for an age that requires publicity to ensure glory, Bioy Casares generated attention by saying that he was not interested in fame. When he was asked why he had agreed to pose in a credit card (American Express) advertisement last year, his rejoinder was that he had been offered a very interesting

figure which he found extremely difficult to refuse.

ANDREW GRAHAM-YOOL

*Adolfo Bioy Casares, writer; born Buenos Aires 15 September 1914; married 1944 Silvina Ocampo (died 1993; one daughter deceased); died Buenos Aires 8 March 1999.*

ANNE CURRY

Barbara Dodwell, historian and archivist born 17 April 1912; Reader in History, Reading University 1962-77; Director, Graduate Centre for Medieval Studies 1974-77; died Norwich 15 February 1999.

John Morris

Barbara  
Dodwell

## Henry Fair

FIFTY YEARS after the end of the Second World War, a retired education officer was surprised, and in retrospect rather flattered, to learn that he had been featured in a Gestapo hit-list. A Vassar professor researching in Potsdam had unearthed a file headed 'Entkommen in der CSR' in which he found the name of Henry Fair. The reason for Fair's inclusion was probably the part he played in organising the escape of 1,000 Czechoslovak children from the German occupation.

Fair was for 72 years a member of the Woodcraft Folk, a progressive educational movement for children and young people founded in south London in 1926, and was its first National Organiser. He joined the original group in 1926, aged 18, attracted by a philosophy based on democracy, co-operation and human rights, combined with a programme of outdoor activities, particularly camping and hiking. He adopted the folk name of 'Koodoo' (after a South African antelope).

The emerging movement sought to avoid the military-style framework of organisations such as the Boy Scouts and Girl Guides, and was from inception for both sexes. Within a few years new groups were springing up in London, Bournemouth, Bristol, Bath and Leicestershire, as far as Sheffield and into Scotland.

When Fair gave up his job as a colour matcher in a paint factory to take on the post of National Organiser in 1936, his financial prospects appeared somewhat precarious. For the first seven years, his salary was dependent on a successful Christmas draw.

In 1937, the unsettled time of the Spanish Civil War and the Jarrow March, Fair organised the Woodcraft Folk's first major international camp in Brighton. The Fascist Blackshirts were then at their strongest point and the Woodcraft Folk had paraded their opposition to them at every available opportunity. Guards and lookout posts were set up at camps to protect it from Blackshirt raids and journalists wanting to interview Henry Fair poured into the area. Questions were even

asked in Parliament requesting that the government look into the activities of the person who called himself Koodoo.

Two thousand children attended the camp, including 300 Czechs, some of whom became orphans a year later when the Germans invaded their country. It was to the Woodcraft Folk that the Czechs wrote, pleading for a lifeline. As a direct result, 1,000 children were transported to England, and 40 of them were taken in by Henry Fair and other Folk members.

He said later that the greatest reward of his life was when a large number of those children, by then in their sixties and seventies, gathered at a reunion in Prague in 1991 to visit the extermination camp where their parents had perished. A woman put her arm around his neck and said: "If it wasn't for you, I'd have been in there."

For a movement dedicated to peace

— and also to opposing Fascism — the

*Fair joined the  
Woodcraft Folk in  
1926, taking the folk  
name 'Koodoo',  
after a South  
African antelope*

Second World War presented an enormous moral dilemma. Three weeks before the outbreak of hostilities, Woodcraft Folk had been at an international camp in Belgium. British children forming friendships with German and Austrian youngsters.

Many Woodcraft Folk members, including Fair, chose to be conscientious objectors. The organisation became associated with the Central Board of Conscientious Objectors and Fair supported members at the tribunals held to decide whether objections were based



Fair and typewriter at camp, circa 1937

on genuine principles. Disruptions resulting from the war could have broken the Folk but much of the credit for rebuilding the movement is given to Fair.

Another international camp was organised in Brighton in 1946, a fortnight after the introduction of bread rationing. Fair apologised to the Dutch leader for the meagre allowance of four slices per day, but was assured that in Holland they had learned to cook tulip bulbs.

He left paid work with the Woodcraft Folk in 1954 to be the Education Secretary of the London Co-operative Society and, on retirement, moved to Bruton in Somerset. In 1964 he was presented with the Labour Party Certificate of Merit by Neil Kinnock, in recognition of his 50 years of service, and in 1987, the Henry Fair Appeal launched in celebration of his 90th birthday raised nearly £20,000 for Woodcraft Folk development.

JANET KAY

*Henry Fair, educationist born London 8 August 1907; married (two sons, one daughter); died Bruton, Somerset 16 February 1999.*

## Minos Kokkinakis



Kokkinakis: 50 years' persecution

preaching the new faith, recalled: "After I had been there for six months, suddenly a man named Kokkinakis arrived from Crete. I had spoken the truth to him back there. He had been interrogated, and now here he was, being exiled for his new convictions." Lionouakis baptised Kokkinakis in the sea.

Further short sentences followed in 1939 and in 1940. During the Second World War, Kokkinakis was incarcerated in the military prison in Athens for more than 18 months. He later re-

called: "The lack of food in the prison went from bad to worse. We became so weak that we could not walk. If it had not been for the Witnesses from the Athens and Piraeus areas who provided us with food from their depleted means, we would have died."

He was again sentenced in 1947 and in 1949, when he was exiled to the notorious prison island of Makronisos. He was among 40 Jehovah's Witnesses in a prison housing 14,000. "The soldiers, like members of the Inquisition, would interrogate each inmate from morning till evening. Words fail to describe the tortures they inflicted. Many prisoners lost their sanity; others were killed; a great number were left physically disabled. During those terrible nights while we heard the cries of those being tortured, we would pray as a group."

After surviving the hardships of Makronisos, Kokkinakis was arrested 10 more times in the 1950s and 1960s for proselytism, one of hundreds of Jehovah's Witnesses to be imprisoned on such charges.

The case that was eventually ruled on by the European Court in 1983 dated back to March 1966, when Kokkinakis and his wife Elisavet visited a home in Sitia on Crete, where they apparently tried to convert a woman whose husband was the cantor at a local Orthodox church. He informed the police, who ar-

rested the couple. They were charged with proselytism and sentenced in the criminal court of Lasithi to four months' imprisonment. The court declared that the defendants had intruded "on the religious beliefs of Orthodox Christians... by taking advantage of their inexperience, their low intellect and their naivety".

The Crete Court of Appeal later acquitted Elisavet but upheld her husband's conviction, although it reduced his prison sentence to three months. Kokkinakis persisted in his challenge to the ruling and after the Greek Supreme Court dismissed his appeal in April 1988 he took his case to the European Court. The petition was eventually accepted in February 1992 and the case was heard the following November in his presence. One of the nine judges declared that Kokkinakis had been convicted "only for having shown such zeal, without any impropriety on his part".

At his funeral service, one of his lawyers, Thassanis Repas, told the large crowd: "Kokkinakis was the first person convicted for proselytism and he is the one who finally took this law to the grave."

FELIX CORLEY

*Minos Kokkinakis, shopkeeper: born Sifia, Crete 25 February 1909; married (five children); died Sifia 28 January 1999.*

## GAZETTE

## BIRTHDAYS

Prince Edward, 85; Sir Lawrence Airey, former chairman, Board of Inland Revenue, 73; Sir Robert Bellinger, former Lord Mayor of London, 89; Sir Chief Marshal Sir Brian Burnett, 86; Sir Paul Colman, commissioner, Metropolitan Police, 52; Baroness Falkender, former Private and Political Secretary to Lord Wilson of Rievaulx, 67; Mr David Fall, ambassador to Vietnam, 51; Mr Fou Ts'ong, pianist, 68; Sir Angus Fraser, former chairman of the Board of Customs and Excise, 71; Dame Margaret Fry, former chairman, National Union of Conservative and Unionist Associations, 66; Mr Barry Gardiner MP, 42; Rear-Admiral Sir John Garnier, Extra Equerry to the Queen, 68; Sir Samuel Goldman, former senior civil servant, 87; Mr Terry Holmes, rugby player, 42; Mr Hugh Johnson, wine writer, 66; General Sir John Learmonth, former

Quarter Master General, Ministry of Defence, 65; Mr Anthony Leonard, chief constable, Humberside, 60; Baron Montague of Oxford, chairman, Montague Multi-national Ltd, 67; Mr Graeme Odgers, former chairman, Monopolies and Mergers Commission, 63; Mr Peter Wormold, former Registrar General for England and Wales, 63.

## ANNIVERSARIES

Births: John Playfair, mathematician and geologist, 1748; Henry Wilson Fowler, author of *English Usage*, 1858; Bix Beiderbecke (Leon Bismarck Beiderbecke), jazz cornet-player and composer, 1903; Deaths: Sir John Denham, poet, 1669; Charles Frederick Worth, fashion designer, 1885; Ray Milland (Reginald Truscott-Jones), actor, 1986. On this day: D.W. Griffith's film in *Old California* was released, the first movie to be made in Hollywood, 1910; Peter Twiss, test pilot, was

## ROYAL ENGAGEMENTS

The Duke of Edinburgh, founder and chairman of the International Trustees of the Duke of Edinburgh's Award International Association, attends a dinner for the Benelux Award in Antwerp, Belgium. The Duke of York gives a reception for Under-standing Industry at St James's Palace, London SW1. The Duke of Gloucester, Commissioner, English Heritage, visits Bradbourne House, East Malling, Kent; and a Grand Prior Order of St John opens the new St John Ambulance County Headquarters in West Malling, Kent.

## CHANGING OF THE GUARD

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am; F Company Scots Guards mounts the Queen's Guard, at Buckingham Palace, 11.30am, hand provided by the Irish Guards.

## WORDS

CHRISTOPHER HAWTREE

rust, n.

when a helpful removal man pointed out some rust on a fire, he replied, "That's not rust, it's corrosion — it's non-ferrous metal." Rather than be dumb-founded, a cannier removal man would have quoted Johnson on rust: "the red desecration of old iron" and "the tarnished or corroded surface of any metal".

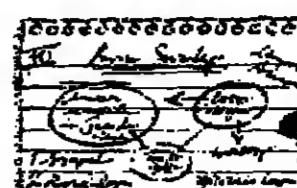
BIRTHS,  
MARRIAGES  
& DEATHS

## DEATHS

DE NORMANVILLE: Peter, peacefully on 7 March, after a long illness. A kind brother to his son and daughter, and adored grandfather. An exceptional man who will truly be missed. Funeral service on Friday 12 March at St Paul's Church, London, and enquiries to David Walker, Funeral Director, Penge, 01733 362423.

Announcements for Gazette  
BIRTHS, MARRIAGES &  
DEATHS are charged at 25p  
a line (VAT extra).

Post Gazette announcements to the Gazette Editor, The Independent, telephone 0171-293 2012  
(24-hour answering machine 0171-293 2011) or fax to 0171-293 2010. Please give a daytime telephone number.



## ARCHITECTURAL NOTES

JAMES MACAULAY

Ham-fisted Gothic  
in Glasgow

SERIOUS COMMENTATORS

on Glasgow's past architecture have been uniformly dismissive of James Adam's Barony Church. In the Glasgow volume of *Buildings of Scotland* it is described as "the ham-fisted Gothic Barony church built in 1703-1800 by John Robertson, to designs by R. and J. Adam". However, the church was probably designed by Adam's nephew, John Robertson, who acted for him in certain Glasgow jobs. A poor press, early demolition and a paucity of published documentation have hitherto obscured rational observation.

The Barony parish was formed in 1595 and the parish stretched over eight miles from west to east and over four miles from north to south. According to one account, the Barony parish "surrounds the City of Glasgow so closely on three sides that in some places the houses are joined together, and in others one side of a street is within the Royalty, and the other within the Barony Parish".

When the parish was disjoined in 1595 from the High Church, occupying the pre-Reformation choir in the cathedral, the lower church was allocated as the place of worship and there it was to be for the next two centuries. The first minister of the Barony was Donald McIlivane and the last was the celebrated Dr Norman

Macleod, who was called in 1851.

In 1798 the foundation stone was laid and "the day being fine there was a numerous crowd attending". A manuscript in a sealed glass bottle deposited beneath the site of the west door, recorded "James Adam of London, Architect; John Reid, Contractor; James Baird, Mason". No mention of Scott or indeed of John Robertson, the nephew of James Adam, who had died in 1794, although he has been cited as the builder.

The church was ready for occupation in 1801 when the Kirk session met for the first time. The cost of the building had been set at £12,385 and to recoup some of that it was agreed by the heirs to sell to Mrs Rea Crawford of Milton "a room fitted up in the north Turret of the Church above the Session-house" and another to the south of the staircase leading to the galleries to Hopkirk "for keeping the Books and Papers relative to the affairs of the Parish" while setting aside "the small room to the north of the session for the use of the Person who takes charge of and sweeps the Church".

But what of the significance of the Barony Church? Before it no more than half a dozen Gothic Revival churches had been erected in Scotland and of these the Barony was not only the largest but also the most developed styl-

istically. In Britain there were few if any architects who commanded at the close of the 18th century such a repertoire of knowledge of Gothic architecture.

As a young man James Adam had shown a precocious interest in what would be termed rococo Gothic and had admired Heriot's Hospital in Edinburgh for its "regular Gothic". In practice the Adam brothers had renovated Alnwick Castle and had worked on numerous commissions for castles, especially in Scotland.

Although James Adam's role in the Adam enterprises has been obscured by the shining talents of Robert nevertheless he was a sophisticated designer. One need only turn to his known works in Glasgow, the college buildings on the High Street and the Tron Church, as evidence.

Perhaps, therefore, the general condemnation of this Barony Church arises in large part because of the many treatises on Gothic architecture which, appearing in the early 19th century, gave new standards of scholarship combined with a seriousness of intent against which earlier products failed irremediably. Such was the fate of James Adam's church.

*Dr James Macaulay is the author of "Glasgow School of Art: Charles Rennie Mackintosh" (Phaidon, Architecture in Detail), £19.95*

## Official receiver acts as a litigant in person

## WEDNESDAY LAW REPORT

10 MARCH 1999

## Official Receiver v Brunt and others

*Court of Appeal (Lord Justice Aldous and Lord Justice Sedley)*  
2 March 1999

*for the official receiver; Peter Martin (Needleman Trem) for the first respondent.*

Lord Justice Aldous, handing down the judgment of the court, said that the office of official receiver had been created by law of audience before the court. The legal and physical fact in a case such as the present was that the official receiver was empowered by law to act without representation in certain civil proceedings. When he or she did so, the description "litigant in person" was apposite.

In working upon the present case the official receiver had incurred costs over and above disbursements which were pecuniary in nature and amounted to pecuniary loss. It followed, applying *Re Eastwood (deceased), Lloyds Bank v Eastwood and others* [1974] 3 All ER 603, that RSC Order 62, rule 18(2) applied to the quantification of costs of a litigant in person which were ordered to be paid by any other party to the proceedings. Section 1(1) of the *Litigants in Person (Costs and Expenses) Act 1975* provided for the taxation or other determination of any costs of a litigant in person which were ordered to be paid by any other party to the proceedings.

The office of official receiver was not a prerogative office under the Crown, nor was it

made by statute a Crown office. Although it was a statutory office and occupied by individuals who had until their appointment been civil servants within the Department of Trade and Industry, and although they continued by law to act at and under the direction of the Secretary of State, they ceased on appointment to be civil servants in the proper sense of servants of the Crown employed in the business of government within a department of state.

As the holder of a statutory office, each official receiver was empowered to bring proceedings including disqualification proceedings in his or her own name, and was accorded by law a right of audience before the court. The legal and physical fact in a case such as the present was that the official receiver was empowered by law to act without representation in certain civil proceedings. When he or she did so, the description "litigant in person" was apposite.

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KATE O'HANLON,  
Barrister

HEINZ is closing the Harlesden outpost of its world-wide operation, and The Grocer quotes its president Bill Johnson, who does not want the firm to be "a decentralised collection of unaligned autonomous affiliates". Tautology is scarcely the word for it, I remark to the Shakespeare scholar Katherine Duncan-Jones,

## WORDS

CHRISTOPHER HAWTREE

rust, n.

who recalls that her father was a stickler for meaning: he fought a doomed battle over postgraduate (graduate is sufficient) — moreover,

# You ask the questions

(Such as: Tony Banks, why did you cross your fingers when you swore the oath of allegiance to the Queen?)

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**T**ony Banks, 55, is MP for West Ham and minister for sport. He was born in Belfast, grew up in Brixton and now lives in east London. He entered politics by election to the Greater London Council in 1970 and remained at County Hall until its abolition in 1986. He has supported Chelsea FC for more than 40 years but cites "18th-century political iconography" as his main hobby. His political heroes are Charles James Fox and John Wilkes.

Since you are the British minister for sport, what are you doing to promote the sporting success of Scotland, Wales and Northern Ireland?

*Jain Baird, Stockton-on-Tees*  
Not many people know this, but I am the English sports minister. There are others for Scotland, Wales and Northern Ireland.

What do you miss most from your time working with Mike Rutherford and Phil Collins? *Alex Sykes, Jeddah Prep School, Saudi Arabia*

The sex and the money.

Given the xenophobia, bigotry and racism that seem to go with English sporting success these days, isn't a good thing that most of our sporting sides continue to be unsuccessful?

*Keith Flett, Tottenham, London*  
It is simplistic automatically to associate xenophobia, bigotry and racism with English sporting success. Sporting activity does not stand outside society's best or worst behavioural patterns. We should utilise the power of sport to reinforce the best and confront the worst within our society. Sporting success can unite the nation and lift the spirit. And we're not that unsuccessful, either.

What does the Labour Government plan to do to tackle drugs in sport? What is your reaction to the IOC scandals? *Philip Jenkin, Solihull*

In this country we have one of the most rigorous anti-doping regimes in world sport. We will continue to insist that sport must be clean if it is to be fair, and that our athletes must feel confident that other countries are as rigorous as our own in combating doping in sport.

I made it clear at the IOC conference in Lausanne last month that we expect the Olympic movement to clean up its act. Unless we are certain that the selection process is fair, honest and transparent, there will be no Government support for an Olympic bid.

What political books have had the most influence on you?

*Patrick Fox, Basingstoke, Hants*  
George Orwell's *Down and Out in Paris and London*, *The Iron Heel* by Jack London, *History of the Russian Revolution* by Leo Trotsky, *The Ragged Trousered Philanthropists* by Robert Tressell, and *The Prophet Armed* by Isaac Deutscher.

How do you reconcile the contradiction between the drive for non-competitive sporting environments championed by Labour Councils, and the enthusiasm for all things sporting (football, rugby and athletics) shown by the Prime Minister and your good self in recent years? *Wayne Richardson, Tutton, Somerset*

Taken to extremes, both positions are undesirable. There is a sport for everyone, whatever their aptitude and level of physical ability and the Government believes that competitive sport can play a crucial part in the development of the child.

Do you often get mistaken for Lionel Blair? *Joseph Mills, Leeds*

Only when I'm dancing.

Shouldn't you have telephoned Glenn Hoddle to get his side of the story before publicly saying he should resign? *Martin Griffin, Southampton*

I never said that Glenn Hoddle should resign.

What do you think the policy objectives of the new mayor of London should be in his/her first term of office? *Celia Holmes, London*

Building confidence in the office; producing a transport system that works and an environment that's fit to live in.

Were you a good sportsman when you were younger? Which sports do you still enjoy? *Sheila Dobson, High Wycombe, Bucks*

Following a series of Home Office



I was useful at athletics and football but then fell foul of bread pudding and Woodbine cigarettes. I have long kicked both habits, but still enjoy both sports.

How is the Government planning to drive paedophiles away from football clubs to protect young players and fans? *Scott Roberts, Bishop's Stortford, Hertfordshire*

Following a series of Home Office

seminars attended by voluntary groups to discuss possible amendments to the Sex Offenders Act 1997, the Government issued a draft code of conduct on child protection for voluntary organisations working with young people. This code of conduct gives advice and good practice on a range of issues, including how to conduct pre-appointment checks for convicted paedophiles, and what measures to introduce to minimise the risk of abuse of trust by those

over 16 - sports coaches, for example. We understand that the FA's child protection policies are based on this code of conduct.

How do you think Graeme Le Saux and Robbie Fowler should be penalised for their recent behaviour? *Miss S Robinson, Salisbury, Wiltshire*

I will leave the FA to deal with them, but I think they should both be forced to have dinner with me at the House of Commons so I can

bang on about my 45 years of football reminiscences.

Why do you believe that Mohamed al-Fayed should be given a British passport? *Peter Murray, Glasgow*

Why not? What did Zola Budd ever do for us?

Why do you think chess should be made a recognised sport? *Mrs C L Townley, Reading*

**NEXT WEEK**  
EILEEN DREWERY,  
FOLLOWED BY  
KEITH HELLAWELL

SEND ANY questions for Eileen Drewery, Glenn Hoddle, mystic adviser, and 'drugs tsar' Keith Hellawell to: You Ask the Questions, Features, The Independent, 1 Canada Square, London E14 5DL (fax 0171-293 2162 or e-mail [yourquestions@independent.co.uk](mailto:yourquestions@independent.co.uk)), by 12 noon on Friday 12 March

Because it is already recognised in most of the European Union, and we are very good at it.

Who is your favourite sportsman, and why? *Mr R E Heurin, Chester* [The paralympic athlete] Tanni Grey because she is a fantastic athlete and a wonderful person.

Do you think that the Government's obsession with increasing the standard of the three Rs in primary schools will damage the standard of British sport at a grass-roots level? *Andrew Hurst, Plymouth*  
No. But I do think we should invest far more in terms of facilities in school sports. If we want sporting success, it begins in the school. PE complements the three Rs; it does not detract from them.

Are you a supporter of fox hunting? If so, why? *Mrs D McDaniel, North Wales*  
No. It's unnecessary and barbarous.

What did you hope to gain by describing the Tory leader, William Hague, as a foetus? *Anna Berringer, Hull*  
A good laugh, and it worked. It was a joke and, unlike most of the sad girls who took offence, William Hague didn't. He's a good sport.

Is it true that you do not support the monarchy, and that you crossed your fingers behind your back when you swore an oath of allegiance to the Queen? *Adam Burgess, London*  
My gesture was misinterpreted. I was advertising the National Lottery.

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**Legal Notices**

**THE INSOLVENCY ACT 1986**  
**BENECOL LIMITED**  
NOTICE IS HEREBY GIVEN in accordance with the provisions of the Insolvency Act 1986, that a meeting of the creditors of BENECOL LIMITED will be held on the 27th March 1999 at 10.25 am for the purpose of considering a petition for an order in Sections 84, 100 and 101 of the Insolvency Act 1986.

A list of the names and addresses of the company's creditors will be available for inspection free of charge at BENECOL LIMITED, 10th Floor, 100 Newgate Street, London EC1V 1NA on the 22nd March 1999 and 23rd March 1999 between the hours of 10.00am and 4.00pm.

The meeting may be required to consider a resolution agreeing the discharge of the company's debts and remunerative to assist creditors in making an informed decision, a copy of which will be available at BENECOL LIMITED, 10th Floor, 100 Newgate Street, London EC1V 1NA on the 22nd March 1999.

Any creditor or shareholder of the company desiring to oppose the making of an Order for the discharge of the debts and remunerative to assist creditors in making an informed decision, a copy of which will be available at BENECOL LIMITED, 10th Floor, 100 Newgate Street, London EC1V 1NA on the 22nd March 1999.

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# Stars in his eyes

**When Patrick Moore puts down his telescope he picks up his xylophone beaters. Now, at 76, he has recorded a CD of his own works. By Ann Treneman**

**A**s events go, it was never going to be boring. Patrick Moore, Britain's leading star-gazer, was launching his first CD on the occasion of his 76th birthday. He had composed every track. It is an old-fashioned, light-music affair, with marches, waltzes and a surfeit of trills. The setting was the Windsor Suite on the seventh floor of London's Inter-Continental Hotel. Champagne and canapés were being served by people in maroon uniforms. Along one side of the room was a raised platform covered in dark green with frills round the bottom. On it stood what looked like a very large xylophone but which turned out to be a normal sized one. It had seen too many toy ones, clearly.

Most of the 30 people in this room were friends and there was no denying that we had gathered here in a dearly beloved kind of way. Everyone was tapping away to ferociously beating march music and swapping xylophone anecdotes. Then, before you could say John Philip Sousa, the man himself bounded into the room. "It's the birthday boy!" said Robert Valierr-Green who had organised the CD and the party as well as playing all the piano solos. "Moore! Moore!" came the chant. Then everyone sang Happy Birthday and Patrick Moore looked embarrassed.

"Seventy-six, isn't it awful?" he said, looking at the floor. He is a large man but his blue suit was even larger. His monocle is dangerously independent and sort of dances round his right eye. "We are all waiting!" called Mr Valierr-Green. And with that, Patrick Moore bounded on to the platform and took up the sticks which I later learned were called beaters. Mr Valierr-Green scurried over to start the beacking track tape to "The Hurricane". This is one of Mr Moore's compositions. It starts with a clash of cymbals. That is the quiet bit. It is very accomplished and the xylophone kicks in almost immediately. This is circus music complete with dancing ponies and plumes.

It

is the kind of thing you really do trip the light fantastic to.

Patrick Moore has loved the xylophone

since he was 10 and he plays with complete absorption. "He's a wild man. Look, he's transformed," said the man next to me. I did take a close look and it wasn't a sight for the tame at heart. The music was pell-mell away but Mr Moore's head was bobbing away even faster. His hands were flying. Nor was he opposed to the odd dramatic pause. At one point, he extended both arms over his head, beaters poised, only to swoop back down to the instrument in full pounce. He ended in a fantastic flourish, sweeping the entire length of the instrument in a blur of beaters. "Bravo! Bravo!" shouted the crowd. "Yeah! More!" But Mr Moore stepped down, heavily, and accepted a glass of champagne. The beaters lay still.

Then

the crowd buzzed. Xylophones and telescopes were the two key subjects in this room. The woman next to me said that she and her husband had known Patrick for decades. She has the wonderful name of Wendy de Faubert Mauder. They had accompanied him on a cruise to Antarctica. He was supposed to be lecturing on the Night Sky although, in fact, it happened to be more or less perpetual daylight at the time. "He even played the xylophone in Antarctica, you know," she said. "He has a portable one. It was given to him by Michael Bentine. They met during the war. But Patrick won't talk about it. It's top secret. You ask him!"

Then

I made my way over to Mr Moore but ended up first talking to a man with a pound-sign badge in his lapel. His name was Donald Dunmore Braham and he is a trustee of one of Mr Moore's many charitable endeavours. "This is to save the pound!" he cried. "People think it means that I am a member of the millionaire's club. I wish."

Then

Most of the crowd is 70-ish. I introduce myself to two younger men who turn out to be involved in publishing. One introduces himself as Mr Millais. I make a bad joke

about hanging out in galleries. "Yes," he says, "he was my great-grandfather." He is a photographer and has worked on Mr Moore's books. "I'm convinced he is a Time Lord. He was doing *The Sky At Night* for 45 years and he looks the same. He goes home to his Tardis." I turn to the 30-year-old man in a black T-shirt from Macmillan. He has been to Moore's home, a thatched cottage in Selsley, West Sussex. Had he seen a Tardis? "No, but he makes his own wine so that might keep him young."

Perhaps it was the champagne talking

but everyone kept on insisting that Patrick

Moore is the last great British eccentric.

He says this isn't true, but he also claims

that he is not a performer which he obviously is. I cannot get over the fact that he did not

go to university. It is his one regret. He became interested in astronomy at the age

of six when he read G.F. Chambers' 1898

book, *The Story of the Solar System*. Then

he fell in love with music when he was seven. Are astronomy and music related

in any way? He shakes his head. But I had heard he did something called a "Space Concert" that mixed them both up. "Well, to be frank it was a bit contrived," he said.

Then his monocle seemed to get more serious. "I am so thrilled that at the age of 76 I am being taken seriously as a composer of light music," he says. The CD has been an idea for years. It took nine hours to record with the Royal Scottish National Orchestra and Derek Carden was the conductor. Patrick Moore has never had a music lesson but has perfect pitch. He plays the piano and xylophone, though only the latter in public.

He sees himself mainly as a composer, though, and says that he hasn't changed his style since he was a child. There is, for instance, his *Woodland Suite* which is made of up five parts called "Dragonflies", "Hedgehogs", "Elves", "Gnomes" and "Worm Wriggle". He composed some when he was 13, and others when he was 72. "And you cannot tell the difference!" he says.

He dislikes modern music, jazz and pop nor does he like the human voice. Chopin and Mahler are favourites, as is Strauss. He is proud that his music is 100 years out-of-date.

A friend of his, a cookery writer named Gretel Beer, tells me that she is trying to organise a performance of Mr Moore's waltz, "Vienna Dawn", in the city itself, with an all-woman band. By now, nothing fazes me and so I just nod.

Next to us, two men with rather strange ties are having a loud discussion about how to pronounce Halley's Comet. One hands me a card that says Donald Francke: Baritone and Actor. "Meet Old Deuteronomy!" It turns out that he played the character in *Cats* for nine years. Now he is to be in *Phantom*. He has been interested in astronomy since he was three. His tie has a space vehicle zooming round it. The other man's tie is truculent with percussion instruments. He is from the Ipswich Hospital Band which is, he says, the only hospital band in the country. Patrick Moore is

their patron and has composed a march which the band plays as its opening number at most outings.

Patrick Moore goes off to talk to the women who made the CD and I am introduced to a man who tells me he is in telescopes. His name is Dudley Fuller and when I ask how old he is, he says that he is past his "die-by" date. Mr Fuller plays jazz piano and went on an eclipse cruise with Patrick Moore last year. He says that the telescope business is recession-proof: "People must have their hobbies".

Patrick Moore claims to have never worked a day in his life and that life is a hobby. I don't know about that but, after two hours of marching music, I am beginning to feel as if we are all in some kind of grand theatrical performance. And the stars? Well, that is easy. This is a show starring a xylophone, a monocle and lots of trills.

The CD, "Moore Music", is available by direct mail order on 0171-630 9100

## The Eighties in all seriousness

WHILE SOME were debating the extent of our dumbed-down state at the Culture Wars conference at the weekend, others of us were getting down to the serious study of music in the Eighties: the decade on which much of the blame seems to rest for whatever dumbing down we might want to argue has subsequently been our fate. Like all the major concerts of 20th-century music which I have been to so far this year, these two opening programmes of compositions from the previous decade in the Towards the Millennium project were attended by large and enthusiastic audiences. So much for dumbing down.

On Saturday at the Royal Festival Hall, Sir Simon Rattle made a welcome return to the City of Birmingham Symphony Orchestra whose musical directorship he relinquished last summer. The long and fragmentary early stages of Witold Lutoslawski's *Third Symphony* here lacked the incisiveness and timbral sheen to make them; to me, too contrived utterances more compelling. Things subsequently improved; the conclusion felt unearned, but that's probably the composer's fault.

Toru Takemitsu's guitar concerto, *To the Edge of Dream* – like John Adams' *Harmontium* – was given its British premiere back in the Eighties by CBSO forces. John Williams and the orchestra offered a ravishing account of it, as joined by Christine Pendill on oboe d'amore – he did of *Vers*, *L'arc-en-ciel*, *Palma*, *Harmontium*, for chorus and orchestra, is early Adams: its

**CLASSICAL**  
CBSO AND CHORUS/  
SIR SIMON RATTLE  
LONDON SINFONIETTA AND  
SYNTERGY/  
JAMES WOOD  
ROYAL FESTIVAL HALL  
SOUTH BANK CENTRE  
LONDON

responses to familiar poems by John Donne and Emily Dickinson lack the persuasively moulded word-setting, allied either to ironic bite or to affecting, ambiguous harmonies, of his later scores. The work is hard on the choir; the climaxes were powerful, but the rapt concentration needed for the quieter music wasn't there.

It didn't help that Rattle had to read out the poems, absent from the poorly-produced programme book, before the performance. Steve Reich's *Tehillim* – a work wrongly charged, in my view, with dumbing down – demands sheer stamina and utter security in its relentless

tricky rhythms. On Sunday in the Queen Elizabeth Hall, the London Sinfonietta, conducted by James Wood, was joined by the four founding female members of Synergy, the British vocal group formed as a consequence of these singers' participation in a brilliant performance of *Tehillim* at the Barbican three years ago. Here, though, Wood and his admirable musicians couldn't score the same success; the relaxed control of phrasing over and around the pulsing grid eluded them, and occasional lapses in ensemble, intonation and tempo didn't help.

It was good to hear Jonathan Harvey's highly sophisti-



Simon Rattle: a welcome return

Laurie Lewis

all Harvey's ability to conjure his own sound-world out of materials as simple, in their own way, as Reich's. This performance did seem too long.

KEITH POTTER

## Nowt so quaint as folk

### POP

FAIRPORT CONVENTION  
PRINCESS ROYAL THEATRE  
PORT TALBOT

THIRTY YEARS into their career as the standard-bearers of folk-rock, Fairport Convention are once again on the road. The latest tour is less a city-by-city jaunt than town-by-town amble, playing the kind of places – Tewkesbury, Worchestershire, Weston-super-Mare – that seem to epitomise comfortable middle England.

Tonight, though, we're in Port Talbot, a place that stands out as a bit of a sore thumb in the itinerary: a giant gas works by the sea where the air reeks of chemicals. There's something rather unlikely about seeing these genial, village cricket team types showing up to play here.

The Fairports line-up contains just one original member, guitarist Simon Nicol, plus long-time bass player Dave Pegg added and abetted by similarly grizzled rock veterans, violinist Ric Sanders and drummer Gerry Conway. The relative new boy is singer-songwriter and fiddle/mandolin player, Chris Leslie. It's

Nicol and Leslie who share the bulk of the vocal duties; the set consists mostly of Nicol singing oldies from the Fairports' catalogue, alternating with Leslie offering his own new material, with a few rocked-up jigs thrown in.

Frankly, it's an unsatisfying mix. Nicol is adequate on the old material but is hardly a Sandy Denny in the vocal stakes; nor does the likeable, Nigel Planer-ish figure of Leslie compare to Richard Thompson as a songwriter. The highlights are inevitably the oldies, "Crazy Man Michael" and the closing "Matty Groves", the centrepiece of the Fairports' finest album, *Liege And Lief* (1969). Ironically it's only the traditional "Matty Groves" that seems to be modern, either in conception or execution.

Yet though the evening is hardly a cutting-edge event, it is a remarkable affirmation of the band's abiding popularity and of their role as family entertainment for the hippy generation. Families sporting Fairport T-shirts are out in force, and at one point the band break into an impromptu happy birthday for a young member of the audience. The

banter between the deadpan Dave Pegg and the bearded, Richard-Bransoneque Simon Nicol is effortlessly masterly, and there's a sense of being in the company of the sort of pleasant, fiftysomething blokes who'd be stalwarts in your

local pub. But on a rainy night in Port Talbot, one can't help wishing for something a bit more gripping, and reflecting that it's a long time since the group had much to do with the evolution of British folk music.

CHARLOTTE GREIG



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# You wait years for one...

... and then three come along at the same time. Why is Shakespeare's *Troilus and Cressida* suddenly everywhere? By Paul Taylor



Trevor Nunn's forthcoming National Theatre production (left) and Michael Boyd's RSC current touring version



Catherine Ashmore/Geraint Lewis

**S**hakespeare's *Troilus and Cressida* had to wait until the early decades of the present century to find a responsive - or, indeed, any kind of audience, and since then, it has certainly been making up for lost time.

In the 1920s, the Marlowe Society at Cambridge and the Old Vic mounted productions that played to houses consisting largely of First World War veterans whose experiences at the Front would have sensitised them to appreciate Shakespeare's bitterly cynical demythologising, or that great ur-conflict, the Trojan War, and its pantheon of emblematic heroes.

From these belated beginnings, the play has gone on to provide a century that has been unfancifully described as the worst 100 years in the history of the human race with a prime theatrical parallel for ignominious international conflicts ranging from post-war Berlin and Vietnam to Northern Ireland and Bosnia. The last decade has seen a positive glut of English productions from Sam Mendes's superbly eclectic 1990 RSC production at the Swan - which, like Eliot's *The Waste Land*, seemed to be clasping in a number of time-schemes simultaneously - through Ian Judge's strenuously homoerotic mid-Nineties staging (known as *A Thong for Europe* by its friends), down to an intelligent production by Alan Strachan last summer in, of all places, the Open Air Theatre in

Regent's Park. When a prickly uncompromisingly intellectual play like *Troilus* finds a home in that sylvan centre of bourgeois self-satisfaction, you know that it has decisively entered the mainstream.

With the last year of the millennium about to offer us two major new stagings of the piece - from Trevor Nunn, whose version opens next week in the Olivier, and Dominic Dromgoole, whose production for Oxford Stage Company will tour a 2,000-seater theatre in the autumn before possibly coming to the West End - this is an auspicious moment to ask whether its provocativeness is in danger of getting lost beneath our newfound familiarity with the play.

Consider the RSC's current staging by Michael Boyd. It shifts the action to the Irish civil war of the 1920s (the Trojans are the Irish in that Catholic chapel; the Greeks are British) but in such a dutiful, undivine way that you sit in front of it calmly nit-picking and finding holes in the parallels (how can a play which turns so much on the idea of single combat survive in a world of pistols? etc). Can we really have become blasé about this masterpiece?

From their quite different angles, Nunn and Dromgoole would be tempted to answer in the affirmative, and both have plans to deal with the problem. A seasoned (but something veteran of the new-writing scene at the Bush, which he ran, and at Peter Hall's Old Vic), Dromgoole, now installed as OSC chief, reveals that for him, the eerie modernity of the play lies less in

its anti-heroic debunking of war (the rigged lottery, the shamelessly self-serving casuistry of the great debates etc) than in something he describes as "a sort of lapsed or slumped reality within it. There's a very contemporary disturbance about perception and what is real - just as there is, say, Michael Frayn's *Copenhagen*."

He points to the great sequence where Troilus and Ulysses spy upon Cressida's treacherous tryst with Diomedes and Thersites, the scabrous camp follower, slaveringly spies on the spies. What is frightening and modern here is the lack of

the half-conscious light of posterity's press releases about them. We hear that, in their tent, Patroclus is entertaining Achilles with a pageant of irreverent impersonations of the other Greek luminaries. The self-reflexive effect of this - Patroclus's performance mirroring, in miniature, any performance of *Troilus and Cressida* - is of a hand suddenly bursting through a classical painting in a gallery and pointing directly at the startled onlooker.

And this teasing traffic between the play's present tense and the foreknown future serves merely to heighten those ex-

periences

over-specific modern parallels, such as Bosnia, because "it seems like appropriating other people's tragedy". So does Trevor Nunn, though for broader reasons.

His production, which will pit black Trojans against white Greeks, is set in the Homeric world. "The problem when you update," argues this great Shakespearean director (the only man to have made *Macbeth* work, and work brilliantly, on the modern stage) is that, at a stroke, you remove the sense that these people are struggling with issues for the first time. You've got to the end before you've even started."

He aims to stress the development in the play from the relatively chivalric and uneasily conscious-riven to the despairingly cynical and nihilistic, with "a random act of war" (a political exchange that involves Cressida being returned to her traitor-father) as the watershed event.

The drama's tone of voice alters, he contends. "Thersites grows in influence as Pandarus [the lovers' campy go-between wanes]. Nunn is alive to the competing levels of reality in *Troilus*, but feels that the accent should fall on that aspect of the characters which remains in ignorance of their future and self-conscious about their dramatic function. "There's a wonderful irony in the scene where Ulysses prophesies the Fall of Troy and Hector says 'I must not believe you... The end crowns all/And that old common arbitration. Time, Will one day end it? Now, we know, as they speak, the outcome and the almost

limitless number of tragedies that developed from that point. The speakers do not, and there's something absolutely thrilling about that. And it's as effective now as it was for the play's first audiences."

Between us and those first audiences, though, lie a lot of knowingly jokey, but much less radical attempts to link the mythic and the modern - from, say, the barbed, flippant operettas of Offenbach's *La Belle Hélène*, *Orphée aux Enfers* in which French Second Empire society mocked itself in terms of an Asterix-like classical world, through to the helicopters and Kissinger-like Julius Caesar in Howard Brenton's *The Romans in Britain*.

TV monitors spewed up contemporary television images at the start of *The Vertical Line*, John Berger and Simon McBurney's recent site-specific piece in the Undergound, as a debriefing preface to a journey downwards and backwards to the paradoxically much fiercer modernity of the earliest cave paintings known to man. Perhaps it is only through a similar bombardment in the theatre's foyers (cue Offenbach and *Up Pompeii* footage) that a contemporary production can do full justice to the sense that, even at the millennium's end, *Troilus and Cressida* is a play which in its pre-emptive, destabilising astringency, continues to anticipate us.

The National's production is in rep at the Olivier (0171-452 3000); the RSC production is on tour (01783 205301) to 5 Jun

## 'There's a contemporary disturbance about what is real - just as in Michael Frayn's "Copenhagen"'

any hierarchy in the clashing perspective on what is seen and the wild philosophical extremity of Troilus's wounded response: "This is, and is not, Cressid". In the earlier scene where the lovers make their desperately ironic vows, Cressida refers to a future "When time is old and hath forgot itself", likening its forthcoming self to someone gone gaga with age. But, if not precisely senile, time in the play is certainly old way beyond its years. There's a peculiar tart tension in this drama between a sense of (as Dromgoole puts it) "men making up their own myth as they go along" and of heroes acting in

extraordinary moments when the play seems to have premonitions of 20th-century existentialism, as in the pre-emptily pinpoint focus of Agamemnon's greeting of Hector: "What's past and what's to come is strewed with husks/And formless ruin of oblivion/But in this extant moment..."

Dromgoole is toying with the idea of a contemporary setting, the characters transposed to the underclass: "there's a great Mike Nichols quote that all the primal patterns and paradigms come from either the upper class or the underclass. I think *Troilus* is a story you can relate to the urban myths of the underclass." He dis-

## ON THE FRINGE

THE ODYSSEY WAREHOUSE, CROYDON ■ MISS JULIE UNION THEATRE ■ THE WAY OF THE WORLD THE ORANGE TREE

IT WILL be a long time before Croydon is known as the capital of the comedy world, but the Performance Theatre Co's inventive reworking of *The Odyssey* puts it on the map. Homer's epic has stimulated writers from Sophocles and Euripides through to Tennyson, James Joyce and now director Rob Ballard, who has spawned the most surreal version, with scenes inspired by, appropriately enough, 2001, *Red Dwarf* and the facile glitz of daytime TV.

In short, this production is not about ancient Greek concepts, so it's fine if you don't know your catharsis from your elbow. Odysseus, here, is a commander on a Kubrick-style spaceship, and each encounter with a mythical monster or a trial from the gods is represented by a visit to another space-ship or planet. The production's greatest

appeal lies in the actors' manipulation of the tiny Croydon Warehouse space to give ingenious and often comic reality to episodes from the epic which might seem difficult to stage. The skilfully executed scene where Achilles kills Hector finds the combatants parrying and lunging at each other with torch beams instead of sword blades. Later, after Odysseus hauls a large bottle of whisky through the stage-roof to "the giant Cyclops", the monster's towering height is emphasised when it re-emerges as a miniature in his hand.

The Pythonesque script and the hyperbolic stage directions cut a sharp contrast with the Courageous Petticoat production of *Miss Julie*. Strindberg used the late 19th century's emerging trend of stark realism to portray the affair between his wilful heroine and her father's supercilious valet

- and the cavernous simplicity of the Union Theatre provides an apt backdrop.

The playwright's antipathy towards the female sex comes out in the tragedy's preface, where he denounces his heroine as a half-woman - one of a poor species who would "fortunately go under". Jean the valet, by contrast, is "sexually... an aristocrat by virtue of his masculine strength", whose passion for learning and sophistication meant he had "already risen in the world". It is unfortunate then for Strindberg, that Kate Bowes's performance as Miss Julie is so obviously superior to that of Darren Hawkes as Jean. Her stage-presence engulfs his, and sometimes she is forced to act against the emotion in Strindberg's script rather than against Hawkes's performance, since he is sadly no aristocrat when it comes to conveying the

passion which makes him risk his social pretensions for a midsummer night's fantasy.

Bowes ultimately succeeds in this production because of her ability to embody the playwright's conception of sex as an anarchic force, which plays on faultlines in both characters' concepts of how they are defined by class and gender. She swings effortlessly through the mercurial mood changes demanded by her character, acting with equal conviction the vulnerable openness and the violent defensiveness provoked by this cruel and bloody battle between the sexes.

That same battle is also a theme for Congreve's *The Way of the World*, but in this Restoration comedy now at Richmond's Orange Tree Theatre the medium is not bite and blood but verbal polish and acidic wit. Set against the confused

marriage laws of 1700 - where formal commitment was a contract rather than the later holy sacrament - the play shows the bitchiness, bed-hopping, and cynical financial bartering involved in selecting a spouse.

The cast as a whole bring considerable spirit to Congreve's finely honed wit where words are weapons in conversational jousts. The jarring note in Sam Walters' production is the costuming - brightly coloured corsets and waistcoats over sterile white tops and bottoms. They strip the stage atmosphere of the subtlety it demands, spoiling an otherwise stylish and enjoyable evening.

RACHEL HALLIBURTON

Warehouse, Croydon (0181-680 4060) to 4 Apr; Union Theatre, London SE1 (0171-261 9876) to 20 Mar; Orange Tree, Richmond (0181-940 3633) to 17 Apr

## ROBERT HANKS ON TV



Why is it that television tells you things about a painting that photos never can?

PAGE 18

INDEPENDENT ON SUNDAY

寿司ガイド



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## Bit of a song and dance

### OPERA

DIVA ON THE VERGE  
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Julia Migenes

fingers and Eartha Kitt's kittenish pout, Migenes is on a highly laudable mission. This, she tells us, is opera for those who would not go back. Fine and dandy, but there's a problem. Who else but opera fans are going to book to see her? This self-selecting audience doesn't need persuading.

Undeterred, she sets off with brio, comparing the immense length of piano strings with their human equivalent, the vocal cords, while illuminatingly brandishing two tiny elastic bands. The focus of her show, however, is parody.

Sporting Cleo Laine's hair,

Barbra Streisand's fluffiness

ing skills - shown off best in Violetta's death scene - but a better director could stretch her further and make this much funnier. Sadly, there's nothing here that couldn't have been done 30 years ago (and was, by Anna Russel).

The great La Gran Scena di New York company has been doing all this with far more flair for years. Their comedy is far sharper and scores far more points, and the fact that they are all men in drag leaves you astonished that they can even sing the material as written. There is no such safety net for Migenes, whose voice - always idiosyncratic - is now well past its prime, a fact underlined when she sings two numbers "straight". Sadly, she can't have it both ways.

DAVID BENEDICT

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Help for the Third World: the first advert in the PricewaterhouseCoopers campaign, which got underway yesterday, shows a boy receiving an inoculation

## Change the world: become an accountant

A slick advertising campaign seeks to cast professional services in a new light. By Roger Trapp

**C**ynics may smile and say there is nothing surprising about a firm of accountants and management consultants failing to promote its chosen areas of activity. After all, it's hard to see how accounting in particular can set the pulses racing.

But PricewaterhouseCoopers, which this week launched its first global advertising campaign, has deliberately avoided spelling out what it does on the grounds that such descriptions do not adequately describe the full range of its operations. "We're trying to demonstrate to the world the breadth, size, complexity - and relevance - of what we do," says Peter Wyman, head of corporate affairs for the UK.

Accordingly, the advertisements for what is the world's largest professional services organisation set out, in the words of UK senior partner Peter Smith, to "convey the important, complex - and exciting - projects that PricewaterhouseCoopers performs for its clients".

The firm will not say how much it is spending on the campaign. However, it is suggested that the first phase, which broke in newspapers in 45 countries yesterday, will alone cost over \$30m (£19m). The print campaign will be augmented from next month by TV commercials on CNN International and BBC World TV, while the Internet, airport displays and billboards will also be used.

Mr Wyman accepts that some of the firm's partners would have preferred something more mainstream, mentioning the firm's areas of expertise in particular. But he believes that "it's great because it's different".

Moreover, he claims it is a sign of the new firm's "maturity" that "we've got the courage to move away from traditional professional services firms". The firm is deliberately aiming at a younger audience - on the grounds that it needs to compete with businesses of all sorts in order to attract the best recruits.

The first ad features a boy in a developing country being inoculated as an illustration of how PricewaterhouseCoopers helps pharmaceutical companies cost-

effectively to develop and launch useful new medicines.

Others in the series, created by the advertising agency Ammirati Puris Lintas, will continue in the grainy documentary style and feature the firm's work in helping an Indian regional power company privatisate, work on re-engineering a

campaign running for a significant period - because building brand awareness in this way takes time.

The overall theme of this first three-month phase of what is intended to be a campaign lasting at least 18 months is recruitment. The tag-line throughout is "Join us. Together we can change the world."

Accountancy firms of various sizes have shown an increasing willingness to promote themselves on poster sites and in business publications. But while such efforts tend to focus on their firms' services, PwC's campaign is more like the television advertisements for Andersen Consulting in attempting to present an image of providing challenging careers. According to Mr Smith, the ads "present a picture of the intellectual challenges awaiting those who join our organisation".

This focus continues the preoccupation with recruiting that Price Waterhouse and Coopers & Lybrand presented as a key reason for last year's merger. Mr Smith says that the commercials are "designed to appeal direct to potential recruits, to make sure that we get more than our

fair share at a time when competition for the best people is intense... they also send compelling eye-opening messages about the fascinating nature and far-reaching impact of what we do for our clients."

But the firm does also have one eye on impressing existing and would-be clients. "We're giving the global business community a glimpse of the size and diversity of work we do for clients - projects many people ordinarily might not associate with PricewaterhouseCoopers," says Mr Smith.

Finally, it appears that this is a propitious time to launch such an ambitious campaign. Insiders claim that the progress made since the merger was finalised last summer makes this an ideal moment to promote the new firm. They claim that management issues have largely been sorted out and that the much-predicted fall-out of staff and clients has largely hitherto failed to materialise.

"People really seem to have understood what the merger means for them. The place is energised by the merger," says Mr Wyman.

Though there had been moves last year, the pace really started to

hot up in January, when BDO Stoy Hayward and Moore Rowland announced they were joining up to create the UK's sixth largest firm. There is, however, a little controversy around this claim, since many of Stoy's rivals argue that it is a collection of firms rather than a single organisation.

Both Adrian Martin, managing partner of Stoy's, and Clive Weeks, his opposite number at Moore Rowland - like their opposite numbers at PKF and Robson Rhodes - been at pains to play down the size claim, instead they justified the link-up to create a firm with annual revenues of about £150m as enabling them to offer a better service to their growing number business clients.

David McDonnell, managing partner of Grant Thornton, the enlarged Stoy's closest rival, with fees of about £145m, says he will not be drawn into making a deal just to move up the pecking order. But even before the deal to create Pannell Robson was announced he saw signs of a merger trend confirming.

At the end of last month, for instance, Smith & Williamson, the

*There are rich prizes for firms that can convince clients they are well connected around the world*

twelfth largest firm and a specialist in advising small companies and private clients, linked up with a small north London practice called Hereward Philips with the aim of expanding its network of offices.

As Mr McDonnell points out, there is also the European dimension developing. Last month Robson Rhodes announced a Brussels-based joint venture with firms from France, Spain and Germany. The practices - like Stoy's and Smith & Williamson - are already members of global organisations and have taken a stand to meet the needs raised by the introduction of the euro. And it will not all be good news. At this stage, it cannot even be certain that the Pannell Robson union will be consummated as planned on 1 May.

Moore Rowland, for example, had been in abortive talks with Kidson's Invey before announcing the Stoy's link-up. Equally, there will be others that are essentially defensive in nature - largely designed to prop up finances that have failed to recover from the recession of the early 1990s. But with many medium-sized companies likely to feel that the largest firms are no longer meeting their needs, and the entrepreneurial-type business increasingly buoyant, there are rich prizes for firms that can convince clients they are both properly focused on their interests and sufficiently well connected around the world to help them expand.

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## No chance of a Flaming Ferrari where my folks come from

EVEN TRADERS have families, though if they live anywhere but London, there's rarely time to visit them. My mother thinks London is a frightful place, even for a visit, with a population that consists entirely of muggers and people in a hurry. "And everyone's so rude," she says, wide-eyed, as if 30 Women's Institute members waiting right in front of the ticket barriers at Tottenham Court Road Underground station while one of their number buys peppermints doesn't count as provocation.

Consequently, she and my father have chosen to bury themselves in a tiny village about a hundred miles from the capital where the quality of life is apparently far superior to city existence. "Just smell that air," my father says every time he drags me out for a walk along the local

lanes (obviously we can't walk across the fields, because the footpaths are planted over). "You don't get air like that in London." No, I think; we don't have all those pesticides and herbicides in ours.

The other aspect of rural life that I find hard to appreciate is the fact that you have to drive everywhere, even to buy a pint of milk or a loaf of bread. Not surprisingly, my parents spend many of their waking hours in edge-of-town supermarkets. In fact, I think they may regard a visit there as a bit of a treat. I can't think of any other explanation for the fact that they always drag me off to one minute I arrive at their place. "Don't take your coat off, darling," my mother says breezily as I stagger in after battling the motorway traffic. "We can have coffee there. It's rather good, you know."

The local tourist office - an act of faith if ever I saw

one - has optimistically created a leaflet on historical walking tours, with lines such as "turn left at the multi-storey car-park. The house that used to stand on this spot..."

There's one each of all the usual high-street shops, as well as a few dingy jewellers, a florist that sells only carnations and, naturally, half-a-dozen dreary tea shops that close at 4pm. There's nowhere else to eat unless you want burgers or take-away Chinese (with chips). You have to head out to some village or other for a proper grown-up meal with condescending waiters and cream with everything. Not that we ever do; as my mother says, it seems rude to disturb the hush in these places by actually eating in one of them.

So for this weekend, it'll be meals at home in front of the telly, and all the better

for it. After all, I'm here to relax, although it's also a pre-emptive strike in case I forget Mother's Day. As far as my parents are concerned, it's their chance to make sure I'm not up to anything potentially embarrassing at work.

"Look at all this business with the Flaming Ferraris," my father says. "More like the flamed Ferraris now," I reply. "Well and truly burnt."

I look across at my mother. "Isn't this when you usually say, 'It's the parents I feel sorry for?'" I ask, but she just blushes and mumbles, "Oh... well... not always".

I smile, and tell them that they have nothing to worry about. After all, thanks to the way they've raised me - to be good and kind and honest - I'm probably never going to earn that sort of money in the first place.

## Is there more strength in numbers?

Middle-ranking accountancy firms are teaming up to survive. By Roger Trapp

THIS WEEK'S announcement that Pannell Kerr Forster and Robson Rhodes intend to merge on 1 May is the latest in a series of moves that are producing a fundamental shake-up in the so-called second-tier accountancy firms.

Pannell Robson, as the new firm will be known, will have fees of more than £120m and employ more than 2,100 partners and staff in the UK. According to Martin Goodchild, the PKF managing partner who will take on the same role in the merged firm, the deal is "a significant step in our strategy to develop a business advisory firm with a strong national presence and far-reaching international connections."

Both firms make the usual comments about shared visions and clear business strategies. But it can be argued that this is a deal created by increasing pressure. The part of the accounting market just below what is now the Big Five has long been seen as highly competitive. On the one hand, few large corporates now use such firms for their audit work and, on the other, all sorts of firms are presenting themselves as specialists at serving the obvious alternative - growing businesses. Moreover, such firms are vulnerable to the activities of specialist niche players.

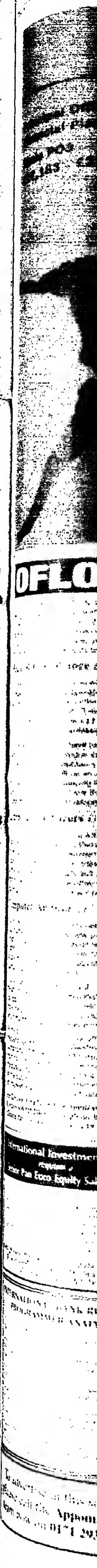
Both PKF and Robson Rhodes must have felt this pressure especially keenly since, in the past two years - a period of growth for many professional firms - their revenues had been almost flat, at about £75m and £53m respectively. However, Mr Goodchild insisted that both firms were moving from a position of strength. PKF he said, had sought to improve profitability rather than increase volume. In the interests of raising partners' earnings it had pulled out of certain operations.

This is seen as important because partners in second-tier firms have tended to be vulnerable to approaches from the biggest practices if their earnings levels drop. With the Big Five firms prospering of late, they have been especially keen to hire extra staff - and to pay them highly competitive salaries.

Pointing out that the move will not shift Pannell above its eighth slot, Mr Goodchild added that the merger was not an attempt to get bigger just for size's sake. However, he stressed that the deal "clearly distances us" from the group of firms below - giving it the scale and resources to develop services to meet the needs of UK and international clients.

Mergers are a constant topic of conversation whenever accounting firms meet. Indeed, a report from the Institute of Chartered Accountants in England and Wales predicted that, by early next century, there would be a Big Four at the top of the profession followed by three middle-tier firms. With any further consolidation at the top thought to be ruled out for the moment by regulatory concerns, attention has shifted to the next level - especially because of the perceived competition in the sector.

Though there had been moves last year, the pace really started to





# The age of the ageing

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I've worked for Sally for 10 years and my relationship with her is that of a friend as well as a colleague. Initially, I was rather apprehensive at the prospect of working for a woman. I felt that men seem to be more understanding of women employees and since I am quite strong willed I felt that I could clash with a female boss. But Sally and I clicked; my colleagues even comment on how unusual it is to see such a bond. A few months after I joined she was helping me move my son into his halls of residence.

Since the *With Respect For Old Age* report by the Royal Commission was published, there have been constant requests for interviews with Sally. We've also had many members of the public ringing in, particularly in response to the report's suggestion that the older people shouldn't have to sell their houses in order to pay for nursing care - which upsets people terribly. The system is unfair: whereas cancer and coronaries qualify for free health care, people with Alzheimer's, which is associated with ageing, are still means tested. It makes me angry to see that people who have done a lot for their country are now being neglected.

One of the aims of Age Concern is to campaign for improvement in the quality of life for the elderly. This is a busy year for us: not only do we run the secretariat for the UN Year of Older People but we are also co-ordinating the Millennium Debate of the Age, an ongoing forum in which people discuss how they see themselves, their work and their lifestyles in 50 years' time. It's a good way of making people aware of the ageing issue. To me, the most important thing to realise is that we are all ageing from the day we are born. Although I used to visit old people when at school and college, I hadn't had any direct experience of looking after an elderly relative.

People will more willingly support children than the elderly, on the grounds that old people have already had a good innings but, having worked here, I feel that age is immaterial. We are all living longer and are going to have to get used to living

MAGGIE HOLMES IS PA TO LADY SALLY GREENGROSS, DIRECTOR GENERAL OF AGE CONCERN ENGLAND



Maggie Holmes (foreground): 'I am devoted to Sally, but it's a give-and-take relationship'

Martin Chivers

in a much older society. The old are an untapped resource in terms of life and experience - they can be mentors for younger people, for example. Of course, some older people might resent being grouped together. My mum, for example, who is in her seventies, lives on her own but after experiencing an OApe club, said she wouldn't go back because the other people were too old.

I would like people to take more notice of the elderly, particularly since they will be in the same situation one day. I think attitudes will have to change. When a relative gets old and infirm people tend not to want to know. I hope this will change.

We have a number of celebrities, including Stephanie Cole and Richard Wilson, who believe in what we do and are prepared to help out. Both my son and my mother have done odd bits of work for Age Concern; my mother volunteers in a nearby shop and my son has chosen a job which involves care of the elderly.

I am aware that I must look toward my own future and make sure that I have got my retirement sorted. I've also learnt that healthy ageing is very important and that one needs to keep active. Mind you, looking after Sally takes care of that aspect.

Sally is a great role model. People look up to her; at 63, she's beyond the official retirement age yet busier than ever before and so full of energy and that she can't cope when I am away, even if it's just for two hours. She's so busy that I sometimes threaten to send a cardboard cut-out of her to some of her appointments. I sometimes get calls from organisations where she's due to speak, warning 'the event is beginning in five minutes and she's not here' but she always makes it in the nick of time. She rarely writes her speeches preferring to ad-lib. Her husband, who is equally busy, relies on me to tell him where Sally is. I meet his secretary, Kathy, once a

month for lunch and we tease them that we're off to talk about them. I am devoted to Sally, but it's a give-and-take relationship. For example, when my son was playing in a big football match and had left his boots behind at my house, she couriered the shoes round to him. She's been with Age Concern for over 20 years and obviously has designs on retiring one day because she's already said that she would like me to remain working with her. Of course I grip and groan when a day is going badly, but since I've been here so long I can't really be fed up, can I?

INTERVIEW BY  
KATIE SAMPTON

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THE WEDNESDAY REVIEW  
The Independent 10 March 1999

## Fond farewell



### THE TEMP

girl who's been filling in for you. I thought she deserved a drink."

"Oh, great," yelps Melanie, "So you've brought the temp down to blag off my float." I apologise, make to flee, but Clive clamps a hand round my wrist and forces a glass of white wine on me.

I stand miserably eating Twinkies, as Melanie makes the rounds. I can hear her as Clive attempts desultorily to ask me if I like temping: "The trouble with you is that you can't take criticism ... Remember when you screwed up that huge order? ... Won't miss him in the slightest; he's a bastard anyway ... Seen the state of her hair? She looks like my granny."

But this was awful. I couldn't go back with just a bunch of flowers from 100 people. The next thing I knew, I was in the hand-made chocolate shop buying £10 worth of Belgian soft-centres.

Melanie had hired Clare's, the local wine bar, which tries to hide the fact that it's in a tower block basement by scattering sunflowers on the floor.

As I saunter off to the Tube, Big Chees Clive grabbed me. "You've done all the work," he said, "You have to come to the party. No - I insist."

So we go into this bar and it's almost empty. In a space intended to hold a good 100 Docklands yuppies, a knot of gag-ridden colleagues surrounds Melanie. Melanie has her little heart-shaped face is pinched into a pucker of rage.

"Good of you to turn up," she snaps. "Where's everyone else? If they can't be arsed to turn up on time, they can sod off. And who the hell are you?"

"This," says Clive, "is the

Chees points at me.

"Well," says Melanie, "They're crap."

She stalks from the bar and disappears into the night, dropping the bouquet into a litter basket on the dockside.

"Phew," says Clive, as everyone relaxes and pours themselves another drink. "I thought that went off quite well, considering."

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14/15/50

farewell

## NEW FILMS

## BELOVED (15)

Director: Jonathan Demme  
Starring: Oprah Winfrey, Danny Glover  
If film lives in a boldly naturalistic plane, prose inhabits an altogether more oblique and shadowy realm. And so Jonathan Demme's adaptation of Toni Morrison's multi-layered Pulitzer Prize-winner was always going to make for an uneasy marriage; hopping shakily between upfront dramatics and mysticism. Oprah Winfrey stars as an escaped slave struggling to cope with a visitation from a bewitched voodoo child (Thandie Newton) who may or may not be the ghost of her dead daughter. Still, there's much to admire in *Beloved's* three hours of muddle-fabulist take on black oppression, its gumbo of pungent human drama with overhated horror-flick shenanigans. Heartfelt acting and a vibrant visual sense paper over all manner of cracks.

West End: Odeon Camden Town, Odeon Kensington, Odeon Swiss Cottage, Ritzy Cinema, UCI Whiteleys, Virgin Trocadero, Warner Village. And local cinemas

## FESTEN (THE CELEBRATION) (15)

Director: Thomas Vinterberg  
Starring: Ulrich Thomsen, Helle Mortzen  
See *The Independent Recommends*, right.  
West End: Chelsea Cinema, Clapham Picture House, Curzon Soho, Screen on Baker Street

## KINI AND ADAMS (NC)

Director: Idrissa Ouédraogo  
Starring: David Mofokodi, Vusi Kuneni  
The first English-language offering from acclaimed Burkina Faso director Idrissa Ouédraogo, *Kini and Adams* looks to spotlight a career

in transition. This African odd-couple comedy turns its back on Ouédraogo's traditionally stark, folk-tale milieu, and ropes in two professional actors in David Mofokodi and Vusi Kuneni's squabbling adventures. But the director's soulful style is stymied by a script that is, at times, clunkingly schematic and crudely drawn. The natural magic slowly seeps away.

Repertory: National Film Theatre

## THE 39 STEPS (PG)

Director: Alfred Hitchcock  
Starring: Robert Donat, Madeleine Carroll, Godfrey Tearle, Peggy Ashcroft, Lucie Mannheim  
Filmed back in 1935, *The 39 Steps* stands proud as the most polished pic of Hitchcock's early, British period (although *The Lady Vanishes* comes awfully close). Thereafter, he would light out for Hollywood and his films would become both more glossy and more morally oblique. *The 39 Steps*, by contrast, offers classic *Boys' Own* adventure, riffing off John Buchan's source novel to produce a giddy spy yarn that hurls Robert Donat and Madeleine Carroll's hand-cuffed runaways into a Scotland that's bursting with oddball eccentricities. The film is as light and bracing as oxygen: all witty twists, throwaway lines and crisp observations as it builds towards a climactic crescendo at the London Palladium. Legend has it that Hitchcock insisted on hand-cuffing Donat to Carroll before filming began, just so they could get used to being together, and then ran off with the key. Tsk, those auteur directors. Never too highbrow for the odd playground prank.

West End: Barbican Screen

Xan Brooks

## GENERAL RELEASE

## AFFLICTION (15)

See *The Independent Recommends*, above.  
West End: ABC Shaftesbury Avenue, Remoir

## A BUG'S LIFE (U)

A Bug's Life sees humble insect Flik joining a flea circus in an effort to save his community from marauding grasshoppers. West End: ABC Tottenham Court Road, Clapham Picture House, Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Odeon Mezzanine, Odeon Swiss Cottage, Plaza, Ritzy Cinema, UCI Whiteleys, Virgin Chelsea, Virgin Trocadero, Warner Village West End. And local cinemas

## HIDEOUS KINKY (15)

Through the backdrop of 1970s Morocco treads Kate Winslet's single-mum, her two daughters in tow. Winslet does well with a change-of-pace role and the child stars are startlingly good. West End: ABC Swiss Centre, Odeon Swiss Cottage, Remoir, UCI Whiteleys, Virgin Fulham Road, Local Well-Hall Coronet

## HILARY AND JACKIE (15)

Full-throttle playing from Oscar-nominated actresses Rachel Griffiths and Emily Watson, sustains Anand Tucker's warts-and-all biopic of the Du Pré sisters. West End: Curzon Soho  
Repertory: Phoenix Cinema. And local cinemas

## HOLY MAN (PG)

Jeff Goldblum plays Ricky, a scuzzball TV executive. Fearful for his job, Ricky uses spiritual wanderer G (Eddie Murphy) as a frontman on his shopping show and sales go through the roof. G, in turn, teaches Ricky a few soulless lessons. Parts of *Holy Man* are very funny, but the film never quite finds the right tone. West End: Odeon Marble Arch, Warner Village West End. And local cinemas

**HOW STELLA GOT HER GROOVE BACK** (15)  
Essentially this is *Shirley Valentine* with an Afro-American spin, but Angela Bassett works hard to make an impression among the slide-show of tourist-brochure visuals. West End: Ritzy Cinema, Virgin Trocadero. And local cinemas

## JACK FROST (PG)

Michael Keaton stars as a self-obsessed blues-man who dies and gets reincarnated as a snowman. Formula family fun. West End: UCI Whiteleys, Warner Village West End. And local cinemas

**LIFE IS BEAUTIFUL (LA VITA E BELLA)** (PG)  
In Roberto Benigni's comedy, the writer-director takes centre-stage as a clowning Jewish bookshop keeper in fascist Italy. He is spited off to the death camps and strives to convince his son that it's nothing more than a game. West End: Curzon Mayfair, Curzon Soho, Odeon Kensington, Ritzy Cinema, Screen on the Hill, UCI Whiteleys, Virgin Chelsea, Virgin Haymarket. Repertory: Watermans Arts Centre. And local cinemas

## LITTLE VOICE (15)

Holed up in her bedroom, Jane Horrocks perfects Shirley Bassey/Judy Garland impersonations. Bracing black comedy. Horrocks' sly pyrotechnics plus a marvellously weighted turn from Michael Caine push *Little Voice* through to the final curtain. West End: ABC Tottenham Court Road, Odeon Swiss Cottage, Odeon West End, Virgin Fulham Road. And local cinemas

## LOVED (15)

Erin Dugan's *Loved* has been collecting dust on distributors' shelves for nearly two years, not because it's bad, but because it's so subtly unclassifiable. Robin Wright Penn plays an abused ex-girlfriend called upon by lawyer William Hurt to testify against her brutal former boyfriend. *Loved* paints troubled relationships for what they are: complex, charged and inextricably entwined. West End: ABC Piccadilly

## THE OPPOSITE OF SEX (18)

See *The Independent Recommends*, above.  
West End: Virgin Fulham Road, Warner Village. West End. And local cinemas

## PAINTED ANGELS (15)

The angels are whores; the paint from the ghoulish end of the palette. Jon Sander's revisionist western revolves around a frontier brothel presided over by Brenda Fricker's no-nonsense madam. Earthy, naturalistic acting goes hand-in-hand with Gerald Pecker's evocative visuals, though the resolutely downbeat handling makes it slow going at times. West End: Remoir

## PERDITA DURANGO (18)

Alex De La Iglesia's quasi-sequel to Lynch's *Wild at Heart* is a strutting Tex-Mex caper, running on a kind of posturing wackiness. Rosie Pérez acquits herself as well as the wizened heroine who abducts a pair of all-American virgins, while *Line of Beauty's* Javier Bardem glowers from beneath a comedy wig. It's camp, garish and amply entertaining.

West End: Piccadilly, Odeon Camden Town

## PRACTICAL MAGIC (12)

Essentially a sibling soap-opera with a dash of mumbo-jumbo, *Practical Magic* sees Sandra Bullock and Nicole Kidman cast as two mismatched sisters raised from a line of witches and hexing any unlucky man who swings into their orbit. West End: Warner Village West End

## THE PRINCE OF EGYPT (U)

In planning his cartoon life of Moses, DreamWorks honcho Jeffrey Katzenberg envisaged it "painted by Claude Monet and photographed by David Lean". The end result winds up as *The Ten Commandments* by way of *Joseph and His Technicolor Dreamcoat*. West End: Empire Leicester Square. And local cinemas

## SHAKESPEARE IN LOVE (15)

See *The Independent Recommends*, above.  
West End: ABC Tottenham Court Road, Clapham Picture House, Empire Leicester Square, Notting Hill Coronet, Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Odeon Swiss Cottage, Plaza, Ritzy Cinema, UCI Whiteleys, Virgin Chelsea, Virgin Trocadero. And local cinemas

## THE THIN RED LINE (15)

See *The Independent Recommends*, above.  
West End: Clapham Picture House, Gate Notting Hill, Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Odeon Swiss Cottage, Ritzy Cinema, Screen on the Green, UCI Whiteleys, Virgin Chelsea, Virgin Fulham Road. And local cinemas

## THIS YEAR'S LOVE (18)

A cast of Britain's finest (Kathy Burke, Ian Hart, Douglas Henshall et al) weave through David Kane's Camden-set essay on urban romance. Although generally witty and well-observed, the film cranks what might have been a sublime one-hour play into double its natural length. West End: Clapham Picture House, Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Odeon Swiss Cottage, Odeon West End, Ritzy Cinema, UCI Whiteleys, Virgin Chelsea. And local cinemas

## TITANIC TOWN (15)

All aboard for Troubles-hit Belfast, circa 1972. The IRA and British forces are taking potshots at each other in the streets. Civilians are dying in the crossfire. To the rescue comes Julie Walters' concerned local mum, who lobbies for a ceasefire and finds herself caught between the opposing factions. For a film implicitly about rage and waste, it's a little low on dramatic oomph. West End: ABC Swiss Centre. Local: Kilburn Tricycle Cinema

## URBAN LEGEND (18)

Jamie Blanks' new stalk-and-slash romp closes *Scream's* tics, twists and in-jokes in much the same way that its campus killer mimics the crimes of popular myth. The result is a strangely bland and inconsequential bloodbath: fresh-faced teens meeting their grisly end in a drama as cold and schematic as a daytime talk show. West End: UCI Whiteleys, Virgin Trocadero, Warner Village West End. And local cinemas

## YOU'VE GOT MAIL (PG)

Rising on the template of her earlier *Sleepless in Seattle*, director Nora Ephron ushers her favourite pairing of Tom Hanks and Meg Ryan through a contrived romantic comedy that's zapped out of its old-fashioned rut by a shrewd internet plot hook. West End: ABC Tottenham Court Road, Clapham Picture House, Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Odeon Swiss Cottage, Odeon West End, Ritzy Cinema, Screen on the Green, UCI Whiteleys, Virgin Chelsea, Virgin Fulham Road. And local cinemas

## YOU'VE GOT MAIL (PG)

Another troubling X-ray of American mores from *In the Company of Men* director Nellie LaBute, which looks like a carbon copy of the director's debut. West End: Metro, Virgin Haymarket. Local: Elephant & Castle Coronet

## THE INDEPENDENT RECOMMENDS

## THE FIVE BEST FILMS

## Festen (15)

Danish director Thomas Vinterberg's superlative black comedy concerns the 60th birthday of a family patriarch who finds himself at the centre of dark secrets that unexpectedly emerge.

## The Thin Red Line (15)

Terrence Malick returns to the screen after a 20-year absence with a hugely ambitious film about the battle of Guadalcanal. A war movie of a sort, though what that sort might be is uncertain.

## Affliction (15)

Paul Schrader's bleak study in fatherhood and fatalism, adapted from Russell Banks's novel, stars Nick Nolte as a man struggling to escape the influence of his violent dad (James Coburn, right).

## Shakespeare in Love (15)

This enjoyable romp suggests how romance fired Shakespeare with the creative inspiration for *Romeo and Juliet*. Joseph Fiennes and Gwyneth Paltrow head a multi-star cast.

## The Opposite of Sex (18)

Christina Ricci plays 16-year-old bitch-on-wheels Dede, shooting from the lip and causing all kinds of havoc when she moves in with her mild-mannered half-brother (Martin Donovan).

ANTHONY QUINN

## THE FIVE BEST PLAYS

## Copenhagen (Duchess Theatre, London)

Michael Frayn's profound and haunting meditation on science, morality and the mysteries of human motivation. To 7.4.9.

## Oklahoma! (Lyceum Theatre, London)

Widely regarded as the best ever, Trevor Nunn's glorious production of the Rodgers and Hammerstein classic fully deserves its West End transfer. To 26.6.

## The Memory of Water (Vaudeville Theatre, London)

Alison Steadman pulls off one of the funniest, truest dramedies ever in Shekhar Stephenson's fine play about sisters brought together for their mother's funeral. To 22.6.

## The Dispute (The Other Place, Stratford)

Marivaux's morbid 18th-century play about a sexual experiment is brought to life in this RSC Lyric Hammersmith co-production. To 20.6.

## A Passionate Woman (Leicester Haymarket)

Genuinely funny and moving, Kay Mellor's play is much more than a *Shirley Valentine* re-run as penned by some cut-price Alan Bennett. To 29.6.

PAUL TAYLOR

## THE FIVE BEST SHOWS

## Portraits by Ingres (National Gallery)

Some of the most intense portraiture ever. Women: exquisite *melanges* of flesh and fabric, dreams of sex and money. To 25.4.

## Patrick Caulfield (Hayward Gallery)

Caulfield is a virtuoso of many styles, and this retrospective offers the range, notably these delicate outlines flooded with translucent colour. To 11.7.

## Peter Doig &amp; Udomsak Krisanamis (Fruitmarket, Edinburgh)

Two painters collaborate. Doig's sizzling, curdling, over-loaded landscapes (right) mix with Krisanamis's collages of cultural detritus and muck. To 27.7.

## Richard Deacon (Tate Gallery, Liverpool)

"New World Order", more curvaceous assemblages of wood, metal, glass and plastic – some elegant, some humble – by the noted Eighties sculptor. What do they mean? No one knows. To 10.8.

## Disasters of War (Wolverhampton Art Gallery)

Three ages of European war through the etchings of Jacques Callot, Goya and Otto Dix. Black-and-white vision from the blackest of times. To 21.8.

TONI LI BROWN

## HAMMERSMITH

VIRGIN (0870-907 0718) @ Ranelagh Park. Hammer-mith & A Bug's Life 1.30pm, 4pm, 6.30pm Shakespeare in Love 2.30pm, 3.30pm, 6.10pm, 9.10pm The Thin Red Line 1pm, 4.30pm, 8pm This Year's Love 9pm You've Got Mail 1pm, 3.40pm, 6.15pm, 8.30pm

## HAMPTON

ABC (0870-902 0413) @ Belize Park. A Bug's Life 4pm, 6.20pm Shakespeare in Love 5.15pm, 8.15pm This Year's Love 1.25pm, 2.30pm, 5.40pm You've Got Mail 2pm, 4.20pm, 8.20pm

## HARROW

SAFARI CINEMA (0181-426 0303) @ Harrow-on-the-Hill. Ham As You Like It 1pm, 3.45pm, 6.45pm, 8.45pm

## WARRIOR VILLAGE

WARNER (0181-592 2020) @ Warner Village. Beloved 1.30pm, 4.30pm, 6.30pm Friends & Neighbors 1.30pm, 5.20pm, 6.30pm A Bug's Life 2pm, 4.10pm, 6.20pm, 8.30pm Shakespeare in Love 3.30pm, 5pm, 8.40pm The Thin Red Line 1.30pm, 3.30pm, 5.40pm, 8.10pm Titanic 1.30pm, 3.30pm, 5.40pm, 8.30pm Urban Legend 1.30pm, 3.30pm, 5.40pm, 8.30pm

## EALING

VIRGIN UXBURGH ROAD (0870-907 0712) @ Ealing Broadway. A Bug's Life 1.30pm, 3.30pm, 5.40pm, 8.30pm This Year's Love 2.30pm, 4.30pm, 6.30pm, 8.30pm You've Got Mail 1.30pm, 3.30pm, 5.40pm, 8.30pm

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NEW STRATFORD PICTURE  
HOUSE (0181-555 3366) 8R/6  
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ABC (0870-902 0415) BR: Streatham  
Hill: *Hillary and Jackie* 2.10pm, 5.25pm, 8.15pm *The Opposites of Sex* 2.20pm, 5.25pm, 8.35pm *Shake-  
speare in Love* 2.25pm, 5.55pm, 8.25pmODEON (08705-050007) 8R:  
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*This Year's Love* 8.30pm *You've Got M@!#* 1pm, 5.15pm, 8.30pmSURRY QUAYS  
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ABC (0870-902 0424) BR: Waltham-  
stow Central: *A Bug's Life* 4pm, 6pm, 8pm, 10pm *Shakespeare in Love* 2.10pm, 5.15pm, 8.10pm *This Year's Love* 1pm, 4.30pm, 8.35pm *You've Got M@!#* 1pm, 5.15pm, 8.30pmWALTON-ON-THAMES  
THE SCREEN AT WALTON (01932-  
252825): BR: Walton-on-Thames  
*The Thin Red Line* 3pm, 7.30pm, 8pm, 8.30pm  
*You've Got M@!#* 3.25pm, 5pm, 6pmWELL HALL  
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REPERTORYRIVERSIDE STUDIOS Crisp Road, W6  
(0171-420 0100) *Raining Stones* (15)  
6.45pm *My Name is Joe* 8.40pmWATERMANS ARTS CENTRE High  
Street, Brentford, Middlesex (0181-  
568 1176) *La Vita è Bella* (PG)  
4.45pm *Earth* (INC) 7pm *Shake-  
speare in Love* (15) 9pmBRIGHTON  
DUKE OF YORK'S (01273-602503)  
*White Nights* (NC) 2pm *Friends* and  
*Neighbors* (18) 4.15pm, 8.50pm *La Vita  
è Bella* (PG) 6pm *Urban Legend* 6.45pm,  
9.15pm *You've Got M@!#* 12.30pm, 3.15pm, 6pm, 8.30pmBRISTOL  
CUBE (0114-907 4191) Buffalo 66  
115) 6.30pm, 8.45pmWATERSHED (0117-925 3845) *La  
Vita è Bella* (PG) 3pm, 6pm, 8.30pm  
*The Maltese Falcon* (PG) 5pm *La  
Classe de Neige* (15) 8.20pmCAMBRIDGE  
ARTS CENTRE (01223-504444) *La  
Vita è Bella* (PG) 12.15pm, 7.10pm  
*Bonnie and Clyde* (18) 5pmCARDIFF  
CHAPTER ARTS CENTRE (01223-  
399662) *Rien Ne Va Plus* (15)  
2.30pm, 8pm x (PI) (15) 7.30pmCHICHESTER  
NEW FILM CENTRE (01243-  
78505) *Hilary and Jackie* (15) 2pm  
*La Classe de Neige* (15) 4.45pmIPSWICH  
IPSWICH FILM THEATRE (01473-  
215544) *La Classe de Neige* (15)  
6.15pm *Howards End* (PG) 7.30pmPLYMOUTH  
PLYMOUTH ARTS CENTRE (01752-  
261614) *Left Luggage* (PG) 8pmCINEMA  
COUNTRYWIDETHEATRE  
WEST ENDTicket availability details are for to-  
day, times and prices for the week;  
running times include intervals.— Seats at all prices ■ Seats at  
some prices ○ — Returns only  
Matines — (1) Sun, (3) Tue, (4) Wed,  
(5) Thur, (6) Fri, (7) Sat● LYTTLETON: *Betrayal* Pinter's  
work depicts a meagre 4-trois and  
stars Imogen Stubbs and Douglas  
Hodge. In rep. today 2.30pm &  
7.30pm, ends 7 Apr. 90 mins.● COTTESLOE: *Guiding Star*  
Jonathan Harvey's play giving a ten-  
der account of the life of Hillsborough  
disaster survivor. In rep. tonight  
7.30pm, ends 5 Apr. 150 mins.● NT2000: *An Inspector Calls*  
Stephen Daldry's direction: JB Priest-  
ley's moral drama. Tonight 6pm,  
Oliver & Lyttleton. £8-£27. Cottes-  
loe: £12-£18. NT2000: £4, concs £3.  
Day seats from 17 Mar. South Bank: SE1  
Sat 8pm, (4) 3pm, (7) (11) 5pm● AMADEUS: David Suchet stars as  
Salieri in Peter Shaffer's acclaimed  
drama, *Old Vic* The Cur, SE1 (0171-  
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7.30pm, (4) 7.30pm, (4) 7.30pm, (4) 7.30pm● ROYAL NATIONAL THEATRE  
— OLIVIER: *Troilus And Cressida*  
John Caird and Trevor Nunn direct  
Shakespeare's reinvention of  
Homers's Greek and Trojan heroes.  
In rep. tonight 7pm.● LYTTLETON: *Guiding Star*  
Jonathan Harvey's play giving a ten-  
der account of the life of Hillsborough  
disaster survivor. In rep. tonight  
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## Dumb screens

So I wonder what makes me think that Andrew Whittam Smith's life in London - "It's dumb to say that culture is not plumbing the depths" - is a bit of a plum?

Of the four films he mentioned, only one has been available so far, and that's not true in the other. He's got, but I'm afraid from the other area, with three more films, and all but one have been available since.

True, they will probably have one showing each, in a few months. Here, on a Monday evening at 10.30, it's a bit pretentiously entitled "Lifelines for '99".

Mi Whittam Smith has fallen

the line that "more means more

choice and a better service for the consumer". We have learned that

isn't true in the title, with the introduction of multi-screen

channels. "Oh dear," we thought.

But no, we screens are not

blackbox-type screens shown on the

list, the screens are on two

but in the other

TV setting, it's just the

affiliation, the screen outside

London is a bit of a screen

but it's got a bit of a screen

each for the third screen running

all the time.

It's a bit of a screen, and

so it's a bit of a screen.

So, Andrew Whittam Smith's

concern when he writes of television

and "its role as an educator". We

haven't, never have, but

occasionally see programmes

out there and have been

told all sorts of things from

commercial studios. Many of

the fond advertising do reveal their

people know how to hold a knife

and fork.

ROBERTA PAVITT

Author, *TV: The Art of*

Transplant ethics

For a start, any part

of the body can be

transplanted, and any

organ can be

transplanted, and

any part of the body

can be transplanted.

The best and most

expensive part of

any part of the body

can be transplanted.

And, as a result,

any part of the body

can be transplanted.

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## WEDNESDAY RADIO

## RADIO 1

97.6-99.8MHz FM  
6.00 Zoe Ball 9.00 Simon Mayo  
12.00 Jo Whiley 2.00 Mark Radcliffe  
4.00 Dave Pearce 8.00 Mary Anne Hobbs - the Evening Session  
10.00 Movie Update with Mark Kermode 10.30 John Peel 12.00 Giles Perton 2.00 Clive Warden 4.00 - 6.00 Scott Mills

## RADIO 2

88.9-92MHz FM  
6.00 Sarah Kennedy 7.30 Wake Up to Wogan 9.30 Ken Bruce  
12.00 Jimmy Young 2.00 Ed Stewart 5.05 Johnnie Walker 7.00 Nick Barracough 8.00 Mike Harding  
8.00 Barry Gordy Motown 10.00 Top of the Pops 2 on 10.30  
12.00 Richard Allison 12.00 Lynn Parsons 3.00 - 4.00 Alex Lester

## RADIO 3

90.2-94MHz FM  
5.00 On Airs of the Week  
10.30 Artist of the Week  
11.00 Sound Stories  
12.00 Composer of the Week  
12.30 The Radio 3 Lunchtime Concert  
A concert given at last year's A\*burgh Festival by Ilya Iljin (piano), Ensemble Penny Gore (cello) and Piers Lane (piano), including a famous Beethoven sonata and a sequence of lollipops. Kreisler: Præludium and Allegro. Beethoven: Violin Sonata in F Op 24 (Spring). Elgar: Salut d'amour. Falla: Spanish Dance (La vida breve). Ponce, an Heifetz: Estrelita

10.45 Night Waves. Though most of the crew and cast had never made a film, the Brazilian film 'Central Station', centring on the story of a cynical middle-aged writer and orphaned boy, has been picked up awards and touching audiences around the world. Laura Cunningham discusses the powerful portrait of modern Brazil as it opens in Britain. 11.30 Jazz Notes  
12.00 Composer of the Week. (R)  
1.00 - 6.00 Through the Night

## RADIO 4

92.4-94MHz FM  
6.00 Today  
9.00 Budget Call: 0870 010 0444  
9.45 Series 1: Pleasures of the Table  
10.00 NEWS; Women's Hour. See Pick of the Day  
11.00 NEWS; Cruds  
11.30 Our Man at Wembley. (R)  
12.00 NEWS; You and Yours  
1.00 The World at One  
1.30 Inspiration  
2.00 NEWS; The Archers  
2.45 Afternoon Play. Women on Love

## PICK OF THE DAY

MONICA LEWINSKY (right) breezes into Broadcasting House and Woman's Hour (10am R4) this morning: the former White House intern will face a gentle grilling from Jenni Murray and no doubt be forced to reveal all about the Andrew Morton biography. There's a chance to hear the British stage premiere of Delius's opera *The Magic Flute* in Performance on 3 (7.30pm R3)



DOMINIC CAVENDISH

3.00 Gardeners' Question Time  
3.30 Shorelines. (R)  
3.45 This Soaped Itself. (R)  
4.00 NEWS; All in the Mind  
4.30 Thinking Allowed  
5.00 PM  
6.00 Six O'Clock News  
6.30 Ballymorn. (R)  
7.00 NEWS; The Archers  
7.30 Front Row. Mark Lawson with the arts programme  
7.45 The Cry of the Bittern. An environmental drama by Tim Jackson. With Ian Pappier, Kelley Hunter and Rachel Atkins (8.30)  
8.00 NEWS; The Moral Maze  
Michael Busch, Janet Daley, Madisen Pina, Ian Hargreaves and David Cook investigate the moral questions behind the week's news  
8.45 Lent Talks. *The Dove Descending*. Writers from a variety of religious perspectives offer their views on the Easter story. Controversial novelist and journalist Will Self considers the story of the Passion and Resurrection from a secular point of view and discovers a striking resemblance to science fiction. See Pick of the Day

9.00 The Romp. Intel's new billion-pound silicon chip plant near Dublin is gearing up production last summer when a world semiconductor crisis struck. Peter Day reports

9.20 NEWS; The Big Picture. (R)  
9.30 Midweek. Libby Purves and guests engage in lively conversation

10.00 The World Tonight. With Justin Webb

10.40 Budget Response. From the shadow Chancellor

10.45 Book at Bedtime. Ernest Hemingway Centenary - The Sun Al-

so Rises. John Shafar reads Hemingway's acclaimed novel of the Lost Generation of the 20s (9.10)  
11.00 NEWS; Truly Madly Bitchey. Written by Julian Dutton. A feast of entertainment from the town they forgot in the YA Guide to Weekend Breaks. With Julian Dutton, Liz Fraser, Peter Hugo-Daly, Stephen Critchlow and Matthew Bell. Special guest Clio Rocca  
11.30 Macbeth's Palace  
12.00 Mammon  
12.30 The Late Book of Golf Dreams  
12.45 Shipping Forecast  
1.00 As World Service  
1.30 World News  
1.45 Shipping Forecast  
1.45 Prayer for the Day  
1.57 - 6.00 Farming Today

## RADIO 4 LW

9.45 - 10.00 Daily Service. 12.00 - 12.04 News; Shipping Forecast  
5.54 - 5.57 Shipping Forecast  
1.30 - 12.00 Today in Parliament

## RADIO 5 LIVE

98.9, 99.8MHz FM  
6.00 Breakfast  
9.00 Nicky Campbell  
12.00 The Midday News  
1.00 Ruscoe and Co  
4.00 Drive  
7.00 News Extra  
7.30 John Inverdale's Football Night. Commentary, reports and goal news from all the evening's top football action. Plus the National Lottery Draw  
10.00 Littlejohn. Football phone-in with Richard Littlejohn: 0500 909693  
11.00 Late Night Live

1.00 Up All Night  
5.00 - 6.00 Morning Reports

CLASSIC FM  
100.0-101.9MHz FM  
6.00 Nick Bailey 8.00 Henry Kelly  
12.00 Requests 2.00 Concerto  
3.00 Jamie Crick 6.30 Newsnight  
7.00 Smooth Classics at Seven  
9.00 Evening Concert. A programme of works performed by the LSO. Alwyn: Festival March. Conductor Richard Hickox. Brahms: Piano Concerto in B flat. Stephen Kovacevich, conductor Colin Davis. Dvorak: Symphony No 4 in D minor. Conductor Iwan Kertesz 11.00 Alan Marn 2.00 Concerto. 3.0 - 6.0 Mark Griffiths

## VIRGIN RADIO

125, 157-159MHz FM  
6.30 Chris Evans 9.30 Russ Williams 1.00 Nick Abbott 4.00 Harriet Scott 6.45 London Calling with Harriet Scott/AM Pete and Geoff 7.30 Pete Hugo-Daly and Geoff 8.30 Richard Allen

## RADIO SCOTLAND

6.00 Daybreak 6.30 Good Morning Scotland 8.45 Fred MacAulay 10.00 Now 10.03 New You're Talking 11.00 The Scottish Connection 11.45 Storyline 12.00 News 12.20 Loek van Wely in a game ultimately drawn at Wijk aan Zee 1996. The point is that on 4 it is vulnerable, while on 3 it blocks the file. To begin with 13...Ne5 was generally played, but 13...g5, which Topalov introduced against Leko in round three of Linares, is quite logical since at the cost of one pawn Black gains several tempi

16...Bg5 was a big improvement on Topalov's 16...Qa5. The difference was that if 18 Rxd5 Bg7 immediately gains a tempo by attacking the d4 knight; instead Leko was able with the queen on a5, to recapture 18 Rxd5 and utilise the h file.

22...Bg7 was better than 22...f5x6 when 23 Qh2 yields a powerful attack, though probably only a draw with best play; but Anand should have played 24 Qd2+ Kg5 25 Qf5 (threatening 26 Be4 Nxe4 27 Rxe4+ when the main line goes 25...Qd5+) when the main line goes 25...Qd5+ 26 Qg8+ Bg7 27 Re8+ Rxe8

28 Qxe8+ Kh7 29 Qh5+ etc. Incredibly, Anand only deviated from Kasparov's analysis with the inspired 27 Nc1! which gave better chances than the technical ending after 27 Nf5+ Qx5 28 gxf5 (not 28 Qd1+ Kb7 29 gxf5 Nc3+ 28...Nb3+ 29 Kd1 Bf3+ 30 Ke1 Nxd2 31

White: Viswanathan Anand

Black: Gary Kasparov

Sicilian Najdorf

1 e4 c5 2 Nf3 d5 3 Nf3 d5 4 Nf3 d5 5 Nf3 d5 6 Nf3 d5 7 Be3 h6 8 Nf3 d5 9 Qd2 Nbd7 10 0-0 Bb7 11 Nf3 d5 12 Nf3 d5 13 Bh3 g5 14 Bg2 h6 15 exd5 Nxd5 16 Kbd2 Nf6 17 Bg2 Rxd1 18 Bg2 Rxd1 19 Rei Qa5 20 f4 Qxd5 21 Kf1 Bc2 22 Nf5 Nc5 23 fxe5 Bg7 24 Nf5+ Kd4 25 Rxe5+ Kb7 26 Nf5+ Kd4 27 Nf5+ Kd4 28 Nf5+ Kd4 29 Nf5+ Kd4 30 Nf5+ Kd4 31 Nf5+ Kd4 32 Nf5+ Kd4 33 Bxh3 Kg4 34 Kb1 Kf4 35 Kb1 Kf4 36 Nb5+ Kd4 37 Nb5+ Kd4 38 Nb5+ Kd4 39 Nb5+ Kd4 40 Kb2 Nf5 41 Nb7+ Kd4 42 Nb7+ Kd4 43 Nf5+ Kd4 44 c5 Nf5 45 Kb3 Nc5 46 Nb5+ Kd4 47 Nf5+ Kd4 48 Nf5+ Kd4 49 Nb5+ Kc5 50 c7 Bf5+ 51 Nb5+ Kd4 52 Rxe5+ Kb7 53 Rxe5+ Kd4 54 Rxe5+ Kd4 55 Rxe5+ Kd4 56 Rxe5+ Kd4

## BRIDGE

ALAN HIRON

WITH THE vulnerability in your favour, would you make the same slightly off-beat pre-empt that North chose first in hand on this deal

